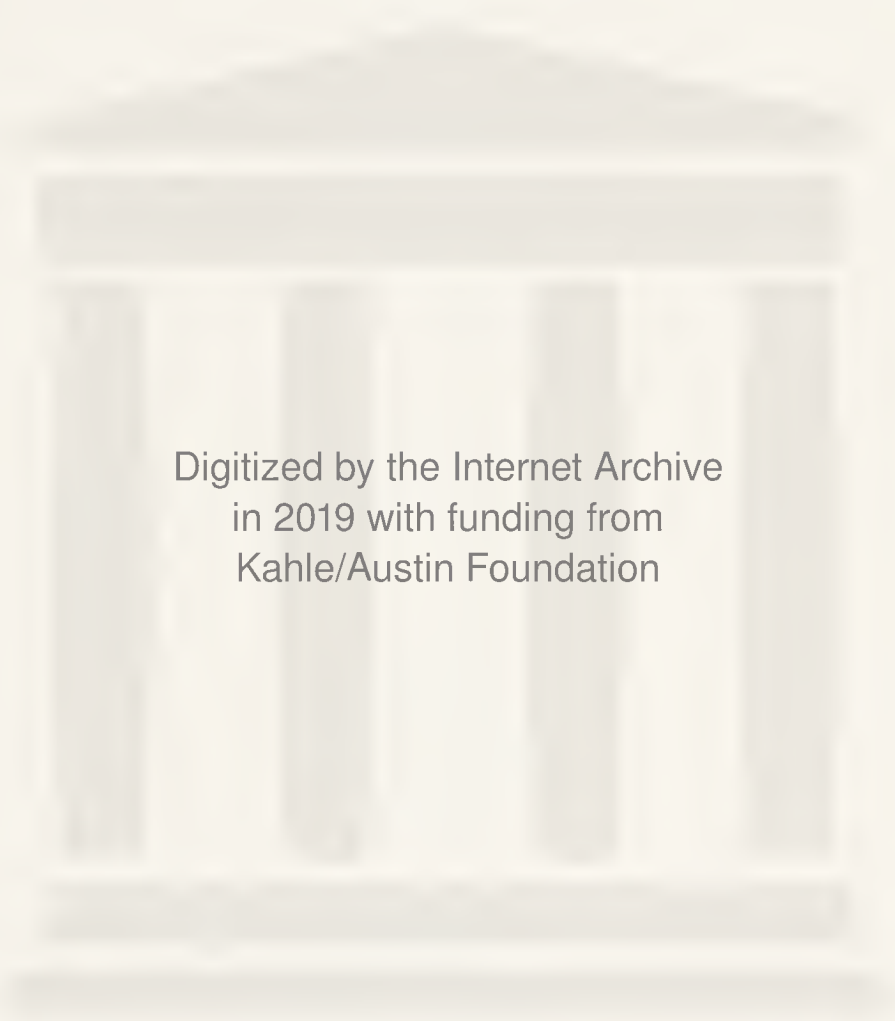


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Foreign Relations of the United States 1951

Volume VI

Asia and
the Pacific

(in two parts)

Part 1



General Editor

Fredrick Aandahl

Editors

Paul Claussen	David W. Mabon
John P. Glennon	Neal H. Petersen
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PREFACE

Fredrick Aandahl supervised the planning, compilation, and editing of this volume. John P. Glennon directed the process of review, declassification, and final editing.

The compilers of the East Asia and Pacific section were: David W. Mabon (the proposed Pacific Pact, Japan, Philippines, New Zealand); Neal H. Petersen (general United States policies, Indochina); and Carl N. Raether (Burma, Indonesia, Thailand). Paul Claussen prepared the section on South Asia. The technical editing of the volume was done by the Publishing and Reproduction Division (Willard M. McLaughlin, Chief), and Francis C. Prescott prepared the index.

The editors acknowledge with appreciation the assistance provided them by the historians of the Department of Defense, including those of the Joint Chiefs of Staff. They are also grateful for the cooperation of the National Security Council, the Department of Defense, and the Central Intelligence Agency, all of which facilitated declassification of papers for release in this volume. Thanks are also due to those foreign governments that kindly granted permission for publication of certain of their documents.

DAVID F. TRASK
The Historian
Bureau of Public Affairs

PRINCIPLES FOR THE COMPILATION AND EDITING OF "FOREIGN RELATIONS"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below:

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts

which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.

1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

- a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office:

- a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
- b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

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LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE.—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

- AAA**, anti-aircraft artillery
ACJ, Allied Council for Japan
AFC, Air Force Cross (British)
AFL, American Federation of Labor
AFP, Armed Forces of the Philippines
AFPFL, Anti-Fascist People's Freedom League
AMC, Additional Measures Committee of the United Nations
ANETA, *Algemeen Nieuws en Telegraaf Agentschap*, a semi-official Dutch News Agency
Anzac, Australia-New Zealand
AP, Associated Press
AR, Office of Regional American Affairs, Department of State
ARA, Bureau of Inter-American Affairs, Department of State
AS, Associated States
ASW, anti-submarine warfare
AW, automatic weapons
BCP, Burmese Communist Party
BCT, battalion combat team
BFO, *Bijeenkomst voor Federaal Overleg* (Federal Consultative Assembly)
BIS, Bank for International Settlements
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
BOT, Board of Trade (British)
BPM, *De Bataafsche N.V. Petroleum Maatschappij*, a joint Dutch-British oil consortium in which participation was 60-40
Brit Emb, British Embassy
BST, bilateral security treaty (United States-Japan)
BWPP, Burmese Workers' and Peasants' Party
CA, Constituent Assembly
CA, Office of Chinese Affairs, Department of State
Caltex, California Texas Oil Company, Limited
CB, Companion of the Bath (British)
CBE, Commander, Order of the British Empire
CFM, Council of Foreign Ministers
CIA, Central Intelligence Agency
C-in-C, Commander in Chief
CINCFE, Commander in Chief, Far East
CINCPAC, Commander in Chief, Pacific
CINCPacFlt, Commander in Chief, Pacific Fleet
CINCUNC, Commander in Chief, United Nations Command
CIO, Congress of Industrial Organizations
Cominform, Communist Information Bureau
Commcen, communications center
ComNavFE, Commander, United States Naval Forces in the Far East
Contel, Consulate telegram
Cosan, series indicator for telegrams from the United States Delegation at the Japanese Peace Conference in San Francisco to the Department of State
CP, Communist Party
CPB, Communist Party of Burma
CPG, Central People's Government (People's Republic of China)
CPIC, Communist Party of Indochina
CPP, Philippine Communist Party
CRO, Commonwealth Relations Office (British)
CSUSA, Chief of Staff, United States Army

- DA**, Department of the Army
Delga, series indicator for telegrams from the United States Delegation at the United Nations General Assembly
Depcirgram, Department of State circular airgram
Depcirtel, Department of State circular telegram
Deptel, Department of State telegram
DFC, Distinguished Flying Cross
DI, *Darul Islam*, the Islamic State
DMPA, Defense Materials Procurement Agency
DNG, Dutch New Guinea
D.O., Defense Order
DSO, Companion of the Distinguished Service Order (British)
E, Assistant Secretary of State for Economic Affairs
ECA, Economic Cooperation Administration
ECA/W, headquarters of the Economic Cooperation Administration in Washington
ECAFE, Economic Commission for Asia and the Far East
Ecato, series indicator for telegrams from the Economic Cooperation Administration in Washington to its missions abroad
ECOSOC, Economic and Social Council of the United Nations
EDF, European Defense Force
Embdes, Embassy despatch
Emboff, Embassy officer
Embtel, Embassy telegram
ER, Economic Resources and Security Staff, Department of State
ERP, European Recovery Program
ESS, Economic and Scientific Section, Office of the Supreme Commander for the Allied Powers in Japan
ETA, estimated time of arrival
EUR, Bureau of European Affairs, Department of State
Exec Dir, Executive Director
Eximbank, Export-Import Bank of Washington
FAO, Food and Agriculture Organization
FBIS, Foreign Broadcast Information Service
FE, Bureau of Far Eastern Affairs, Department of State
FEC, Far Eastern Commission
FECOM, Far East Command
FinMin, Finance Minister
FonMin, Foreign Minister
FonOff, Foreign Office
FonSecy, Foreign Secretary
FRC, Federal Records Center
FY, fiscal year
FYI, for your information
G, Deputy Under Secretary of State
GA, General Assembly of the United Nations
Gadel, series indicator for telegrams to the United States Delegation at the United Nations General Assembly
GARIOA, Government and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GHQ, General Headquarters
Gimo, Generalissimo Chiang Kai-shek
GOA, Government of Afghanistan
GOB, Government of Burma
GOC, Committee of Good Offices for Indonesia of the United Nations Security Council
GOC, Government of Ceylon
Gocus, series indicator for telegrams from the United States Delegation on the Committee of Good Offices for Indonesia of the United Nations Security Council
GOI, Government of India
GOP, Government of Pakistan
GRS, Government rubber, synthetic
GSA, General Services Administration
GSC, General Staff Corps, United States Army
HC, High Commissioner
HICOM, High Commission(er) for Germany
HMB, *Hukbong Mapagpalaya ng Bayan* (People's Liberation Army), a military force affiliated with the Philippine Communist Party
HMG, His Majesty's Government
Huk, see HMB
IARA, Inter-Allied Reparation Agency
IBRD, International Bank for Reconstruction and Development
IC, Indochina
ICAO, International Civil Aviation Organization

- ICFTU**, International Confederation of Free Trade Unions
ICJ, International Court of Justice
ICRC, International Committee of the Red Cross
ILO, International Labor Organization
IMF, International Monetary Fund
Indo, Indonesia; Indonesian
INR, Bureau of Intelligence and Research, Department of State
intel, circular information telegram
IRAA, Imperial Rule Assistance Association (*Taisei Yokusan Kei*), a Japanese organization banned under the purge
IRAPS, Imperial Rule Assistance Political Society (*Taisei Seiji Kai*), a Japanese organization banned under the purge
ISAC, International Security Affairs Committee
JCRR, Joint (United States-Chinese) Commission on Rural Rehabilitation (Taiwan)
JCS, Joint Chiefs of Staff
JGOA, Japanese Government Overseas Agency
JUSMAG, Joint United States Military Advisory Group
KBE, Knight Commander, Order of the British Empire
KCB, Knight Commander of the Bath (British)
KL, *Koninklijke Leger* (Royal Netherlands Army)
KMT, Kuomintang (Nationalist Party), Republic of China
KNIL, *Koninklijke Nederlandsche Indische Leger* (Royal Netherlands Indonesian Army)
L, Office of the Legal Adviser, Department of State
L/FE, Assistant Legal Adviser for Far Eastern Affairs, Department of State
Legtel, Legation telegram
Lon, London
Lontel, London telegram
LSSL, landing ship support, large
LST, landing ship, tank
LVF, *Lien Viet Front* (League for the National Union of Vietnam)
M/C, memorandum of conversation
MAAG, Military Assistance Advisory Group
MASJUMI, *Madjelis Sjuro Muslimin Indonesia* (Council of the Indonesian Moslem Association)
MATS, Military Air Transport Service
MC, Military Cross (British)
MDA, Mutual Defense Assistance
MDAA, Mutual Defense Assistance Act
MDAP, Mutual Defense Assistance Program
MEA, Ministry of External Affairs
MFN, most favored nation
MilAtt, Military Attaché
Milob, military observer
MinFin, Minister of Finance
Misun, series indicator for messages to the United States Mission at the United Nations
MKA, Morrison-Knudsen Afghanistan, Inc.
MSA, Mutual Security Act (Agency)
MSP, Mutual Security Program
NA, Office of Northeast Asian Affairs, Department of State
NAC, National Advisory Council on International Monetary and Financial Problems
NAT, North Atlantic Treaty
NATO, North Atlantic Treaty Organization
NDC, National Development Council, an agency of the Philippine Government
NEA, Bureau of Near Eastern, South Asian, and African Affairs, Department of State
NEI, Netherlands East Indies
niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night
NIE, National Intelligence Estimate
NNG, Netherlands New Guinea
NPR, National Police Reserve (Japan)
NPRJ, Japanese National Police Reserve
NSC, National Security Council
OAS, Organization of American States
ODM, Office of Defense Mobilization
OEEC, Office for European Economic Cooperation

- OFD**, Office of Financial and Development Policy, Department of State
OIC, officer in charge
OSA, Office of South American Affairs, Department of State
OSD, Office of the Secretary of Defense
OSI, Office of Special Investigation (Air Force)
OSR, Office of the United States Special Representative in Europe under the Foreign Assistance Act of 1948
PAF, Philippine Armed Forces
Pak, Pakistan
PARINDRA, *Partai Indonesia Raya* (Greater Indonesian Party)
PARKINDO, *Partai Kristen Indonesia* (Indonesian Christian Party)
PBY, Naval patrol bomber
PHILCUSA, Philippine Council for United States Aid
PI, Philippine Islands
PIR, *Partai Peratuan Indonesia Raya* (Greater Indonesian Union Party)
PKI, *Partai Komunis Indonesia* (Indonesian Communist Party)
PlebAd, Plebiscite Administrator
PM, Prime Minister
PNI, *Partai Nasional Indonesia* (Indonesian Nationalist Party)
POC, Peace Observation Commission
PolAd, Political Adviser
PPN, *Pusat Perkebunan Negara* (Government Plantation Enterprises)
PRC, People's Republic of China
PriMin, Prime Minister
PRL, parliamentary
PSA, Office of Philippine and Southeast Asian Affairs, Department of State
PSI, *Partai Sosialis Indonesia* (Socialist Party of Indonesia)
PX, post exchange
reftel, reference telegram
Repsec, series indicator for telegrams to the Secretary of State from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
reurtel, regarding your telegram
RFC, Reconstruction Finance Corporation
RFC, Rehabilitation Finance Corporation, an agency of the Philippine Government
ROTC, Reserve Officers Training Corps
RSC, Rubber Study Group
RTC, Round Table Conference
S, Office of the Secretary of State
S/ISA, International Security Affairs, Department of State
S/S, Executive Secretariat, Department of State
S/S-PR, Protocol Staff, Executive Secretariat, Department of State
S/S-R, Policy Reports Staff, Executive Secretariat, Department of State
S/S-S, Committee Secretariat Staff, Executive Secretariat, Department of State
Sanco, series indicator for telegrams from the Department of State to the United States Delegation at the Japanese Peace Conference in San Francisco
SC, Security Council of the United Nations
SCAP, Supreme Commander for the Allied Powers in Japan
SE, Special Estimate
SEA, Southeast Asia
SEAC, Southeast Asia Aid Policy Committee
Secto, series indicator for telegrams to the Department of State from the Secretary of State or his Delegation in connection with conferences of Foreign Ministers
Secy Gen UN, Secretary-General of the United Nations
SOA, Office of South Asian Affairs, Department of State
SOBSI, *Sentral Organisasi Buruh Seluruh Indonesia* (Central Organization of All Indonesian Labor)
Socony, Standard Oil Company of New York
SP, submarine patrol
Stanvac, Standard-Vacuum Oil Company
STEM, United States Special Technical and Economic Mission
SYG, Secretary-General
TCA, Technical Cooperation Administration, Department of State
TCT, Truman-Churchill talks
TEF, Thai Expeditionary Force

- Telac**, series indicator for telegrams to Secretary of State Acheson while away from Washington
- TG**, Government of Thailand
- T.H.**, Territory of Hawaii
- TIAS**, Treaties and Other International Acts Series
- Toeca**, series indicator for telegrams to the Economic Cooperation Administration in Washington from its missions abroad
- Toisa**, designation for telegrams dealing with matters within the responsibility of the Director, International Security Affairs, Department of State
- Topad**, designation for telegraphic correspondence in either direction between the United States Political Adviser to SCAP and the Department of State
- TopSec**, Top Secret
- Torep**, series indicator for messages from the Economic Cooperation Administration headquarters in Washington to the United States Special Representative in Europe under the Foreign Assistance Act of 1948
- U**, Under Secretary of State
- UKHC**, United Kingdom High Commissioner
- UN**, United Nations
- UNA**, Bureau of United Nations Affairs, Department of State
- UNCI**, United Nations Commission for Indonesia
- UNCIP**, United Nations Commission for India and Pakistan
- UNESCO**, United Nations Educational, Scientific and Cultural Organization
- UNICEF**, United Nations International Children's Emergency Fund
- Unmis**, series indicator for messages from the United States Mission at the United Nations
- UNMOK**, United Nations Military Observer in Kashmir
- UNP**, Office of United Nations Political and Security Affairs, Department of State
- UNSYG**, Secretary-General of the United Nations
- UNTA**, United Nations Technical Assistance
- urmsg**, your message
- urtel**, your telegram
- USA**, United States Army
- USAF**, United States Air Force
- USAR**, United States Army Reserve
- USARPAC**, United States Army, Pacific Command
- USDel**, United States Delegation
- USDelGA**, United States Delegation at the United Nations General Assembly
- USGOC**, United States Delegation on the Committee of Good Offices for Indonesia of the United Nations Security Council; also *Usgoc*, series indicator for telegrams to the Delegation
- USIE**, United States Information and Educational Exchange Program
- USIS**, United States Information Service
- USMC**, United States Marine Corps
- USN**, United States Navy
- USPolAd**, United States Political Adviser
- UST**, *United States Treaties and Other International Agreements*
- USUN**, United States Mission at the United Nations
- VM**, *Viet Minh*
- VNQDD**, *Viet Nam Quoc Dan Dang* (Vietnam Nationalist Party)
- VOA**, Voice of America
- WAR**, series indicator for telegrams sent overseas by the Department of the Army or by Army Headquarters, Washington
- War Off**, War Office
- WE**, Office of Western European Affairs, Department of State
- WFM**, Washington Foreign Ministers meeting
- WFTU**, World Federation of Trade Unions
- WHO**, World Health Organization
- WPC**, World Peace Conference
- WPV**, Workers Party of Vietnam
- ZI**, Zone of the Interior

EAST ASIA AND THE PACIFIC

GENERAL UNITED STATES POLICIES WITH RESPECT TO THE EAST ASIAN-PACIFIC AREA ¹

790.00/1-451

*Memorandum of Conversation, by Mr. George H. Alexander of the
Economic Resources and Security Staff*

CONFIDENTIAL

[WASHINGTON,] January 4, 1951.

Subject: Political prospects in South East Asia.

Participants: Mr. Lacy, PSA ²

Messrs. Armstrong ³ and Alexander—ER

Mr. John C. Houston—The White House

Miss Marjorie Belcher—The White House

The White House officials called at their request to obtain guidance from the Department as to the extent to which the United States may count on the continued availability of South East Asia as a source of critical raw materials.⁴

Mr. Lacy began the discussion by stating that had the question been asked two months previously he would have replied that the odds were against the Chinese invading South East Asia but that at present the odds are unfortunately in favor of such an invasion. The date upon which the Chinese can be expected to move is, of course, uncertain.

Mr. Lacy emphasized the danger of attempting to prophesy the course of developments but hazarded the guess that China would invade Tonkin.⁵ This opinion he based particularly upon the disposition of Chinese armies and on moves by American companies familiar with the area. He suggested that Thailand ⁶ might find it in its interest to

¹ For previous documentation, see *Foreign Relations*, 1950, vol. VI, pp. 1 ff. For related material, see pp. 1109 ff. For documentation on U.S. policy concerning China and the Korean War, see volume VII.

² William S. B. Lacy, Director of the Office of Philippine and Southeast Asian Affairs.

³ Willis C. Armstrong, Associate Chief, Economic Resources and Security Staff.

⁴ Documentation on general U.S. policy with respect to the acquisition of strategic materials from foreign areas is scheduled for publication in volume I.

⁵ For additional documentation on the possibility of a Chinese Communist invasion of Tonkin, see pp. 332 ff.

⁶ For documentation on U.S. relations with Thailand, see pp. 1594 ff.

cooperate with the Chinese and might not need to be invaded. Malaya is likely to be invaded whenever the Chinese feel that they have digested Indo-China and Thailand. If the British are able to hold Malaya, Indonesia⁷ probably also will remain outside the control of the Chinese. If, however, Malaya falls, Indonesia probably will fall too, either by invasion or through a decision that its future lies in cooperating with the Communists.

When discussing the difficulty of predicting the timing of events Mr. Lacy pointed out that the present Indonesian government might fall any day as a result of the breakdown of negotiations with the Netherlands concerning New Guinea and that the possibility always exists that the Briggs Plan⁸ will fail in Malaya. He hazarded the guess that Malaya might hold out from two to four months against a full scale invasion.

Mr. Lacy concluded by remarking that the picture was gloomy but gave no cause for hysteria. He did suggest, however, that it would be wise for the United States not to dally in its procurement of strategic materials from the area.

⁷ For documentation on U.S. relations with Indonesia, see pp. 583 ff.

⁸ Reference is to British pacification operations in Malaya under the direction of Lt. Gen. Sir Harold Briggs.

SEAC Files : Lot 53D255¹

*Report Prepared by the Economic Cooperation Administration for
the Southeast Asia Aid Policy Committee²*

CONFIDENTIAL
SEAC D-39

[WASHINGTON, January 10, 1951.]³

ECONOMIC COOPERATION ADMINISTRATION
STEM STATUS REPORT AS OF JANUARY 8, 1951

GENERAL

Mr. Griffin, Director of the Far East Program Division, since his return to Washington from Southeast Asia,⁴ has been engaged in

¹ Files of the Southeast Asia Aid Policy Committee, 1950-1951.

² The Southeast Asia Aid Policy Committee, an interdepartmental body established in 1950, was charged with responsibility for policy coordination respecting economic and military aid to Southeast Asia. Committee members were Dean Rusk, Assistant Secretary of State for Far Eastern Affairs (Deputy Assistant Secretary Livingston T. Merchant generally represented Rusk at SEAC meetings); Maj. Gen. Harry J. Malony, Special Assistant for Southeast Asian Problems, Office of the Secretary of Defense; and R. Allen Griffin, Director of the Far East Program Division, Economic Cooperation Administration.

³ This paper was undated. It was circulated as document SEAC D-39, January 10.

⁴ Griffin headed a survey team which visited Southeast Asia in March and April 1950 to develop recommendations regarding initial economic and technical

conferences with ECA and State Department officials discussing re-orientation of the program in the light of the existing "front line" situation where the Missions are operating. One result of these discussions has been the departure for Southeast Asia of a "task force" of ECA and State Department administrative officers to make on-the-spot decisions on administrative support problems. Counterpart and other problems are being reexamined in the light of Mr. Griffin's discussions in the field.

On January 6 the President signed a bill authorizing transfer, whenever "he determines that such action is essential", of ECA Act funds (Public Law 472, 80th Congress, as amended) for the purpose of carrying out the China Area Aid Act (Title 2, Public Law 535, 81st Congress), up to a total of 3 percent of the ECA Act funds available for FY 1951. This authority makes it possible for ECA to request transfer of not more than \$75 million for expansion of its Far East program. The most immediate Far East Program needs are \$15 million for initiating the Philippine program,⁵ \$15 million for expanding the Formosa program⁶ and \$4.5 million to replace Far East program funds previously used to finance grain for India.⁷

As of January 8, over \$57 million of ECA funds previously allotted for Far East programs had been obligated for procurement authorizations and approximately \$1 million for administrative expenses, leaving an unobligated balance (of allotted funds) of \$4 million. The remainder of the \$92 million of funds appropriated for Far East aid has not yet been allotted to the Far East Program Division.

The *China* Mission is now carrying out a special commodity program for Formosa to offset deterioration in the island's foreign exchange position as well as the seasonal peak of commodity demand. As a result of official abandonment by the Chinese Government of policies which pegged the value of Formosan currency, the price level in Formosa has risen, but ECA's special commodity program has been an important factor in preventing inflationary pressures from getting out of hand to date. As of January 8, over \$35 million had been obligated for ECA's Formosa program, and firm requests had been received by ECA/W for an additional \$16 million of food, raw materials and textiles. Further allocation of funds to the Formosa program will be required if the full \$16 million is to be approved, and if a continuous supply pipe-line to Formosa is to be maintained.

aid to the area. In December, Griffin made a second regional circuit tour. For documentation on the Griffin Mission and related activities, see *Foreign Relations*, 1950, vol. VI, pp. 1 ff.

⁵ For documentation on U.S. relations with the Philippines, including information on economic assistance, see pp. 1491 ff.

⁶ Documentation on U.S. aid to the Republic of China is scheduled for publication in volume VII.

⁷ For documentation on U.S. relations with India, see pp. 2085 ff.

ECA/W and the China Mission have made a decision to change past policy on sales-proceeds funds in Formosa. In the future these funds will constitute counterpart, the use of which will be subject to ECA review and concurrence. ECA/W has requested the China Mission to study the economic impact of proposed US military aid to Formosa. Because adequate information on the military program cannot be made available to ECA in Formosa, it may be necessary to send an ECA representative from Formosa to Japan (SCAP) to obtain the necessary data.

The *Indochina* STEM has proceeded with implementation of health, relief, and other projects in Vietnam, has made preparations for a fertilizer distribution scheme to be initiated immediately upon arrival of fertilizer supplies now on their way, and has drawn up plans to train and equip first-aid personnel in 5,000 villages. Specific program plans for Laos and Cambodia are being prepared; these plans follow the same general lines as those for Vietnam, with minor variations to fit each local situation. Definite procedures for a commercial import program have been finalized by STEM. Commercial imports under this program will consist of machinery, cotton, tobacco, POL, and other commodities, and will help to generate the local counterpart funds needed for carrying out the ECA program. The difficulty of generating sufficient counterpart funds still constitutes one of the major problems in the Indochina program, but ECA/W has made a firm decision that other means will be worked out to provide the total estimated need for counterpart funds (approximately 220 million piasters—\$11,000,000) if the commercial import program does not generate this amount.

The *Thailand* STEM has submitted to ECA/W the first comprehensive outline of its program for the remainder of FY 1951. The largest projects in this program include development of a national agricultural center (\$977,500) and of the Makkasan Railway repair shop (\$1,160,000). Difficulties of recruiting personnel and procuring authorized matériel have slowed the progress of program implementation, but a specialist in railway engineering is leaving shortly for Thailand to supervise the Makkasan Railway repair shop project and to advise the Government of Thailand on general railway matters.

The *Burma*⁸ STEM has forwarded to ECA/W a full outline of its program, drawn up by STEM and the Burma Economic Aid Com-

⁸ For documentation on U.S. relations with Burma, including information on economic assistance, see pp. 267 ff.

mittee, for the remainder of FY 1951. This program includes projects for rural health work, agricultural extension, rehabilitation of educational institutions, and repair of the port of Rangoon. Implementation of the program is going forward in the field of health, but recruitment of medical personnel has encountered many obstacles. A commodity import program to generate counterpart funds is now underway, and some medical supplies have arrived in Burma; cotton yarn has been shipped, and raw cotton will be sent shortly. Excellent relations have been established between STEM and BEAC and Burmese suspicion of U.S. motives has been significantly reduced.

The *Indonesia* STEM has been severely handicapped by the lack of essential personnel. The program has moved ahead slowly, however, and additional funds have been obligated for medical projects. After lengthy negotiations, the Indonesians and the J. G. White Company have agreed upon a draft contract for engineering services by the White Company. Although ECA/W has made several comments on the fees and other costs provided for in the contract, it is expected to be signed shortly, and the first White Company engineers have left for Indonesia.

The *Philippine* program is still in a preliminary, organizational stage. During the past month a Special Session of the Philippine Congress, convened following the Foster-Quirino Agreement, has discussed legislation which the U.S. indicated was a necessary prerequisite to large-scale economic assistance. The Special ECA Representative in the Philippines believes the Congress will pass the bulk of the basic legislation recommended. An interagency agreement between the State Department and ECA has been substantially completed, and State-ECA discussions on a draft bilateral agreement between the United States and the Philippines have progressed satisfactorily. Recruitment of personnel for the Philippine operation has encountered many obstacles which are only beginning to be overcome, but ten key persons are now in the Philippines or on their way.

In addition to programs administered by ECA's Far East Program Division, three small ECA projects in the Far East area are being administered by the Dependent Areas Branch of the European Program Division. All three are roadbuilding projects (in Sarawak, North Borneo and Malay) designed to increase food, rubber and tin production by opening up new areas. Approximately one-half million dollars of ECA aid is being used for these projects, principally for the purchase of road building equipment.

PSA Files : Lot 54D190¹

Memorandum by Mr. Charlton Ogburn² to the Assistant Secretary of State for Far Eastern Affairs (Rusk)³

SECRET

[WASHINGTON,] January 15, 1951.

FURTHER ASPECTS OF THE BASIC DIFFICULTY IN THE FAR EAST

A telegram received last week from our Legation in Saigon pointing out that the Soviet Union and Communist China have yet to accredit representatives to Ho Chi-minh's regime comes at a time when I gather that we are considering raising our Legation in Saigon to an Embassy, which I suppose would mean that we should then have an ambassador accredited not only to Vietnam but also to Cambodia and even to the mountain kingdom of Laos, with its population of about one million.

The contrast between the Soviet course and our own with respect to representation in Indochina throws light on an aspect of a problem I touched on in an earlier memorandum on the "Basic Difficulty in the Far East"⁴—namely, the reasons why our leadership in Asian countries seems to produce the opposite results from those we intend.

Ho Chi-minh's⁵ "Democratic Republic of Vietnam" declared its independence in August 1945. Yet it was not until early 1950 that the Soviet Union even recognized it. By contrast, it will be remembered that we recognized Bao Dai's⁶ Government the moment the French gave the all-clear. Soviet official stand-offishness with respect to the Chinese Communists was a conspicuous feature of their relationship until the autumn of 1949. The scale of assistance with which the Soviet Union has provided the Peiping regime after recognizing it has been minor by our standards of foreign aid. Indeed, for some time it appeared that the Soviet Union was taking more than it was giving. This, indeed, seems to be a common feature of Soviet relations with non-Russian Communist bodies. To a degree that must be really astonishing to us, who conceive of support of non-Communist elements in terms of prodigious outlays by the United States, the Asian Communists have been left to fend for themselves materially. With its very large production of gold and with what must be its huge quantities of weapons, it would seem that the Soviet Union could do far more than it has done for the Communists in Indochina, Burma, Malaya, the Philippines, etc.

¹ Files of the Office of Philippine and Southeast Asian Affairs, 1937-1952.

² Policy Information Officer, Bureau of Far Eastern Affairs.

³ Transmitted through Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs, and John K. Emmerson, Planning Adviser, Bureau of Far Eastern Affairs.

⁴ Not printed.

⁵ President of the Democratic Republic of Viet-Nam.

⁶ Chief of State of Viet-Nam.

I cannot pretend to know what the Russian motives may be in their evidently cautious policy, but certain of the effects of this policy are apparent and are of the greatest significance to us.

In the first place, in withholding their sanction of a new regime until it has demonstrated that its chances of survival and success are good, the Russians avoid the great loss of prestige which comes from backing a losing horse. It looked for a while as if they were going to suffer just such a loss in Korea, but this contingency, it now appears, had been prepared for. Soviet recognition, in short, comes high. Asian Communist parties which set up regimes the Soviet Union is willing to recognize must feel the satisfaction of great accomplishment. By contrast, it seems to me that our continued recognition of the Chinese Nationalists after they had lost China and our instant recognition of the states of Vietnam, Cambodia, and Laos eight months before they had even received the degree of independence they won at Pau and while much the greater part of Vietnam was not controlled by another regime, greatly reduced the intrinsic value of American recognition in Asian eyes and placed our prestige in hostage to a most unpropitious future. Raising our Minister to the Indochinese States to an Ambassador will impress no one east of Suez and merely give further evidence that we are easily had. If Bao Dai is as deficient in the qualities of leadership and determination as we are told, one would imagine that what he needs is incentive—such as the winning of American recognition—and not the satiation of his desires, including those he has presumably not even expressed.

In the second place, the practice of the Russians in giving guidance, instructions, and orders to Communist elements in other countries but withholding large-scale material assistance tends to bring out real leaders among these elements and to develop among them the qualities of determination, resourcefulness, and fortitude. It gives them the incentive of advancing a cause in which they believe. They have the position of contributors, not beneficiaries. They are supporting the Communist cause, not being supported by it. The effect on them, if one may judge, is exhilarating.

What we have been doing is to support anti-Communist elements where the situation in the world demands that they support us—as the Communist elements support the Soviet Union. The cause of the free world in Asia has become not an Asian cause (which it certainly should be, since it is the Asians and not we who are directly menaced) but an American cause in which we are pleading for adherents and turning ourselves inside out to keep afloat those we have. Those we have lined up with us in Asia have none of the sense of being the advance guard of a great and noble cause of which we are the base and Fatherland. Those Asians who give evidence that they *do* feel they are making history and have undergone sacrifices for great ob-

jectives, and who evidently feel that they *are* moved by impelling ideals are the very ones we have helped least and who are most wary of enlisting in a cause which they conceive of as an American snare. It is ironical but apparently none the less true that Asians fighting on the Communist side with Mao ⁷ and Ho, whom we feel the Asians should regard as the exponents of tyranny, have the inspiring sense of fighting for national freedom, while in the camps of Chiang,⁸ Quirino,⁹ and Bao Dai there is a strong feeling that we must see them through because they are serving *our* cause.

We are continually hurt and bewildered because the more independent minded Asians refuse to recognize their Communist fellows as puppets of Moscow but persist in regarding other Asians whom we are supporting as puppets of the United States. But this feeling can only continue as long as our policy of supporting non-Communist elements continues in its present form while the Soviet Union forces its adherents to fight their own battles. As long as Soviet favors are hard to come by while the United States gives the appearance of a call-girl, we shall, I fear, continue to serve as a refuge for weaklings and incompetents.

The prospects in the Philippines today give a good example of how our policy betrays us. Without our aid, Quirino's regime will eventually be swept away. It is a weak regime in all save the talents required to retain office by dishonest means, and it should in fact be swept away if the Philippines is to be strong. In exchange for certain "reforms", however—as if a corrupt and dishonest leadership could be reformed—we are going to save this regime from the penalties of its shortcomings. Now consider at the same time the case of Colonel Velasquez, whom I understand we consider as a white hope and whom we have been trying to persuade to take a key military position. Velasquez refuses to serve under Quirino. The end of our policy will be to fix the Philippines in the permanent status of a liability to us and at the same time force Velasquez and others like him to accept Quirino and thus suffer demoralization and the loss of self-respect or drive them into the ranks of our enemies. The Philippine Islands are hardly likely to suffer a Communist invasion. But if things continue in their present course, one may foresee the time when the American army will be fighting a Philippine guerilla army, which, under Communist colors, will have the support of the Nationalists just as Ho's regime has had. The process of recolonializing the Philip-

⁷ Chairman of the Central People's Government Council, People's Republic of China, and Chairman of the Central Committee of the Communist Party of China.

⁸ President of the Republic of China.

⁹ Elpidio Quirino, President of the Republic of the Philippines.

pines will then be well advanced—except that we shall not get away with it. It was in order to try to avoid this outcome that I proposed in a recent memorandum to you another way of strengthening the Philippines. The memorandum, being written in haste, contained inconsistencies and rather wild suggestions, but at least the means it proposed might open up prospects different from the dreary ones we face.

To sum up, it would seem that through our present methods of supporting anti-Communist elements we risk creating situations of weakness rather than of strength. As Mr. Heideman of this office points out, our maternalistic material support of such elements may not only soften them but also undermine their position by degrading their stature in the eyes of their countrymen. Mr. Heideman offers the hypothesis that the National Government of China might actually have prevailed over the Chinese Communists—whose military strength was so much less than its own—had we not through the abundant and conspicuous support we gave enabled the Communists to brand it successfully as a creature of the United States.

Lastly, by making the anti-Communist cause in the Far East *our* cause, by demonstrating so plainly that our policies in the Far East are based upon a containment of Communism, we have encouraged the Asians in their present maddening misconceptions as to the nature of the cold war. We know very well that our Government cannot carry out a foreign policy which is not supported by the electorate, that we cannot get very far ahead of American opinion, but we do not seem to have realized that the United States cannot hope to succeed if it tries to run far in advance of Asian opinion.

The nature of our intervention in Asia has, it seems to me, had the primary effect of confusing the issues. When the Asians have undergone those trials that bring the strong, genuine leaders to the fore, when they have come to understand the alternatives that face them, when *they* urge *us* to comprehend the necessity of condemning the Chinese Communists and saving the United Nations, of holding on to Formosa, of helping the nationalist elements in Indochina, and of assisting anti-Communist guerrillas in China, then the situation will be such that we can save Asia. I cannot see that it will be until that time comes. Given a different behavior on our part, I believe it could come fast—very fast. Can we not stop taking the lead everywhere and making what seems to me display of ourselves? Can we not start being the judge of other peoples and stop being the one who is judged? Can we not be a little harder to get, and let the favor of the United States be what other peoples aspire to? Darn it, they are the ones who are threatened with a fate worse than death—not we.

SEAC Files : Lot 53D255

Report by the Defense Department Representative to the Southeast Asia Aid Policy Committee (Malony)

SECRET

[WASHINGTON,] January 22, 1951.

SEAC D-41

REPORT OF GENERAL MALONY ON FAR EASTERN TRIP ¹

PHILIPPINES

Since his visit, General Malony had found that the adverse opinion concerning possible dispatch of U.S. personnel to the combat-team level, as in Greece, had been undergoing a change. The experience in Greece had shown how useful this effort could be; and the important thing was to revive quickly a feeling of strength in the military.

The problem of intelligence remained acute, and it was probably true that (again, as had been the case in Greece) the guerrilla intelligence was quicker than the Government's.

The Erskine-Melby report on the Huk situation had been excellent.² Unfortunately, there had been little or no improvement since that report was made. Experienced U.S. soldiers for Philippines service were almost entirely limited to over-age ex-scouts or former troops. The demands for experienced personnel and materials for suppression simply could not be met immediately.

Responsible U.S. officials in Manila received the Bell Report ³ with the feeling that it was a "last hope operation" and had to be followed-up on successfully.

MALAYA

It was his opinion that the operation for suppressing dissidents in Malaya was 90% political rather than military. This situation was quiet when he was there, although the incident over the Dutch-Malay child took place shortly after he left. Mr. MacDonald,⁴ for whom he

¹ Major General Malony visited the Philippines, Malaya, Viet-Nam, Thailand, and Burma in December 1950 to familiarize himself with conditions affecting policy in Southeast Asia. He discussed the existing situation and the effectiveness of U.S. programs, particularly military assistance programs, with ranking U.S. officials and indigenous leaders in each country. General Malony's final written report on his trip was circulated as document SEAC D-38, January 10, not printed. The above report (SEAC D-41) represented a supplement to SEAC D-38, based on statements made at an interdepartmental meeting held under the auspices of the Bureau of Far Eastern Affairs, Department of State, on January 4. (SEAC Files : Lot 53D255)

² A joint Mutual Defense Assistance Program survey mission headed by John F. Melby, Special Assistant to Dean Rusk, Assistant Secretary of State for Far Eastern Affairs, and Maj. Gen. Graves B. Erskine, Commanding General of the First Marine Division, visited Southeast Asia in July and August 1950. For documentation on the mission, see *Foreign Relations*, 1950, vol. VI, pp. 1 ff. For information on the mission's stop in the Philippines, see *ibid.*, pp. 1493 ff.

³ For extracts from the Bell report October 9, 1950, see *ibid.*, p. 1497.

⁴ British Commissioner General for Southeast Asia.

had the greatest respect, had outlined for him the long-term job which the British saw in cutting down the inter-racial barriers and in creating a Malayan nationality. It was probable that the British authorities would ask the U.S. for limited help, as for example Chinese-speaking teachers.

He had formed the opinion that the British, in view of the strategic location and highly important dollar-earning raw materials of Malaya, would make great efforts to hold onto the Peninsula.

INDO-CHINA

He had asked General De LaTour⁵ why the northeastern strip on the coast on Indo-China was being held, despite its military vulnerability. He had been advised that French mining installations, and the possible necessity for use as an embarkation point for a possible amphibious operation were the reasons.

His limited observations of the National Armies had led him to believe that they were physically fit, and if given adequate training and equipment might well make a good show.

While the U.S. Government talked of 12 battalions of Vietnamese, Bao Dai had spoken of 4 divisions. Bao Dai also inferred that since no French money would probably be forthcoming for the increase of his forces to that size, the U.S. would probably be asked to provide the money for equipping them. The lists prepared by Bao Dai and General Carpentier⁶ of military needs for Vietnam had not differed greatly and have been reconciled by Brink.⁷

THAILAND

The Thai economic situation was relatively good and likely to continue so if Indo-China did not fall.

QUESTIONS AND ANSWERS

PHILIPPINES

Q. Was there any evidence that trouble was expected from the Moros?

A. He had attempted several times to get an answer to this question, but it had been avoided by the officials approached.

Q. How did he evaluate, in general, the anti-Huk program?

A. Much, of course, remained to be done. But he had been particularly impressed with Defense Minister Magsaysay's determination and pro-American attitude. If able to act without interference,

⁵ Gen. Boyer de Latour, Commander of French Union forces in northern Indochina in December 1950.

⁶ Gen. Marcel Carpentier, Commander of French Union forces in Indochina, 1949-1950.

⁷ Brig. Gen. Francis G. Brink, Chief of the Military Assistance Advisory Group at Saigon.

he might make a very good effort. It went without saying that the Defense Minister was a prime target for assassination by the Huks.

MALAYA

Q. What was his impression of the recent riots in Malaya?

A. They did not appear to be manifestations of a general anti-British feeling, but rather an instigated flare-up, which had not seemed to bear any considerable effect on the general situation.

Q. If Indo-China and Thailand fell, would it, in his opinion, be wise to attempt to hold Malaya, whatever the determination of the British to hold on?

A. In his opinion, it would be wise to attempt to hold Malaya; and he felt it could be done, since the peninsula provided a site for favorable air and sea activities.

Q. Had anything been said during his stay in Malaya concerning additional MDA supplies?

A. Nothing had been said concerning this matter. In his opinion, the needs of Malaya lay in other fields; but because of their will to fight he had recommended that such military assistance as they required be provided to Malaya.

Q. Had he observed any significant independence movement in Malaya?

A. His opportunity of obtaining an answer to this question had been limited. But his feeling was that any "nationalist" sentiment was oriented toward greater national unity within the Commonwealth, rather than complete independence.

INDO-CHINA

Q. In his opinion, was a further subsidy from the U.S. for France necessary for the continuation of the National Armies. More specifically, what was his opinion on the ability and willingness of the Associated States to raise the money necessary for their contribution to the Armies?

A. The question applied to more than the National Armies plans, and a real problem existed with regard to the ability of the Associated States to raise necessary monies. The tax collection power, had, of course, been turned over to Vietnam, but the French-Vietnamese problems of transition related to this function, as well as to all other functions assumed by the governments of the Associated States, made the situation very nebulous.

THAILAND

Q. What was the state of the Laotian infiltration into Thailand, which so disturbed the Thai Government and people?

A. The recent French announcement that it would send about four thousand men to the border regions to oppose guerrilla activity had

cut Thai concern with the problem somewhat, but the problem of infiltration still existed.

Q. What was his opinion of the MDA program in Burma?

A. The existence of an approved program for river craft appeared to have been quite helpful for U.S. interests.

SMUGGLING

In answer to questions on smuggling, General Malony reported that:

There was a feeling in *Malaya*, particularly among the British, that the Indonesian policy of U.S. had opened a "back door" through Malaya for smuggling, particularly from the Philippines. The British were certain there was relatively little smuggling going on in Malaya since many Chinese had been resettled from the edges of plantations, and a constant surveillance barred them from producing support in food and money to the guerrillas. Pushing the dissident forces back further into the hills had also cut down smuggling. Considerable smuggling continued in *Indo-China*; but the Thai and British officials were cooperating in making pursuit across borders possible. Some smuggling continued from Hainan by air drops, but sending PBY's should cut down this traffic somewhat. If a *regional* pact were developed for the area, smuggling certainly should be one of the questions of common concern to be dealt with as soon as possible.

REGIONAL PROBLEMS

General:

Q. Had there been any noticeable feeling of indigenous belief that regional cooperation was necessary?

A. The only concrete evidence of such feeling which he had encountered was in Thailand, where the Navy Commander-in-Chief had indicated they would favor a regional grouping if Australia or the U.S. headed it. He considered this as a poor source.

U.S. Organizational Arrangements in the Area

In answer to a question as to the wisdom of setting up a U.S. Government regional office to deal with MDA problems, General Malony felt that a more centralized regional organization would be generally useful, but that it should not be limited to MDAP matters. Rather, MDAP problems were less in need of such a center of decisions short of Washington than were the economic and other programs in the area. But all of the programs could use such a device.

Continuance of Aid in Region

Q. Did he feel that the situation warranted continued and increased aid in the region?

A. Yes. U.S. officials were now able to sort out the facts and analyze the regional situation better than ever before. The U.S. should not

act on its apprehensions but on what lines of action would profit it most; and continuance of aid was definitely indicated.

751G.00/1-2551

*Memorandum of Conversation, by the Assistant Secretary of State
for Far Eastern Affairs (Rusk)*¹

SECRET

[WASHINGTON,] January 25, 1951.

Subject: Possible American Action if Chinese Communists Attack
Indochina.

Participants: H. R. H. Prince Wan Waithayakon, Thai Ambassador
Mr. Dean Rusk, FE
Mr. Kenneth P. Landon, PSA

In the course of a conversation on another subject the Thai Ambassador pointed out that his government was in entire accord with the United States Government in regard to Communism as evidenced by the presence of Thai troops in Korea, the recognition of the governments of Indochina, and the present act of co-sponsorship of the resolution designating the Chinese Communists as aggressors. He went on to say that he had been instructed by his government to ask what United States policy would be if the Chinese Communists should attack northern Indochina, i.e., would the United States give air support or navy support or ground support or simply provide military equipment as at present. Furthermore, if Thailand were attacked would the United States come to their support while they were fighting the enemy or would Thailand have to do as it did in the last war when overrun by the enemy—establish an underground which would cooperate with the United States and work toward their liberation with us. The Ambassador reaffirmed that his government saw eye to eye with the U.S. Government and wanted to know how to lay its own plans in order to meet the potential threat.

I said that it was exceedingly difficult to give a practical reply to a hypothetical question; that the President of the United States in fact was the only person who could reply to such a question; that if he were requested to make a reply at this time it would become a problem between the Executive and the Legislative branches of government; that it would be a different matter if the President were faced with such a practical problem for immediate action as Commander in Chief; that in regard to Korea we have no intention of giving up the fight and would not act hastily in reaching a decision

¹ Drafted by Kenneth P. Landon, Officer in Charge, Thai, Malayan, and Indo-chinese Affairs.

in regard to withdrawal from Korea;² that any attack by the Chinese Communists on Indochina or Thailand would be regarded by the United States as a very serious matter and as part of our world-wide fight against Communism; that in fact Thailand's immediate neighbors such as Burma, India and Malaya, would probably feel equally involved in such an attack by the Chinese Communists and would doubtless be prepared to consider coincident action in such an event; that, however, at this moment the Chinese Communists were apparently limiting themselves to assistance to Ho Chi Minh and his forces in the expectation that they might prove to be adequate in driving out the French. I went on to point out that the Chinese had suffered heavy losses in Korea which might have had a sobering effect upon them and that we had no indication of Chinese intentions to extend the present conflict beyond Korea although we were studying every possibility.

At this point I asked the Thai Ambassador whether he and his government had any information on Chinese intentions in Korea as we were considerably puzzled at the current news coming from Korea, it being unclear whether the Chinese were withdrawing beyond the 38th Parallel in preparation for a cease fire order or whether they were regrouping farther north in preparation for another large drive. The Ambassador said he had no information on the subject.

² Documentation on the Korean War is presented in volume VII.

890.00/1-1351

The Secretary of State to the British Ambassador (Franks)

CONFIDENTIAL

WASHINGTON, January 26, 1951.

DEAR MR. AMBASSADOR: I thank you for your letter dated January 13, 1951¹ in which, on behalf of the Governments of Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom, you extended an invitation to the Government of the United States to participate fully, subject to the understandings previously set forth by the Government of the United States, in the future discussions and activities of the Consultative Committee on South and Southeast Asia, including the activities of the Council for Technical Cooperation.

I note that the Commonwealth Governments represented on the Consultative Committee have agreed on the desirability of a further meeting of the Committee at the official level, and that the Government of Ceylon will shortly extend an invitation to this Government to attend a meeting, starting at Colombo about February 12.

¹ Not printed.

The Government of the United States appreciates the invitation of the Commonwealth Governments to participate in discussions and activities of the Consultative Committee and intends to accept the formal invitation to be represented at the Colombo meeting.²

The Government of the United States will have to give further consideration to its position with respect to participation on the Council for Technical Cooperation.

Sincerely yours,

DEAN ACHESON

² In a statement released to the press on January 24, Secretary of State Acheson announced that the United States had accepted the invitation. For text, see Department of State *Bulletin*, February 5, 1951, p. 234. The Colombo Plan officially went into effect on July 1. For a statement on the subject released to the press by the Department of State on July 3, see *ibid.*, July 16, 1951, p. 112. For information on the functioning of the plan in 1951, see Great Britain, *The Colombo Plan, the First Annual Report of the Consultative Committee on Economic Development in South and South-East Asia*, Karachi, March, 1952 (Cmd. 8529) (London: His Majesty's Stationery Office, May, 1952).

Editorial Note

In telegram 4178 from London, January 29, Ambassador Walter S. Gifford set forth an analysis of differences between the United States and the United Kingdom regarding policy in the Far East. Telegram 4178 and other material on United States-United Kingdom relations with respect to the East Asian-Pacific area is scheduled for publication in volume IV.

790.5 MAP/1-3151

*Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Deputy Under Secretary of State (Matthews)*¹

TOP SECRET

[WASHINGTON,] January 31, 1951.

Subject: United States Military Assistance Program in Southeast Asia.

Problem:

To determine the extent of the United States military assistance program in Southeast Asia, and the priority to be assigned to it, in view of current favorable political developments in the area and, at the same time, the imminence of a communist invasion of that area. The area comprises the following countries: Burma, Thailand, Indochina, Malaya, Indonesia, and The Philippines.

¹ Drafted by William S. B. Lacy, Director of the Office of Philippine and South-east Asian Affairs.

Discussion:

It has become increasingly apparent during the last several months that, in spite of their unwillingness to accept United States view of the proper solution of the Korean problem, the countries comprising the area known as Southeast Asia are disposed to move in the direction of the United States and of the political and economic systems of which it is the principal protagonist. This tendency is due in some part to the effectiveness of American diplomacy, in some part to Southeast Asian fears of Chinese imperialism and, in any case, the belief that the United States can and will defend the Southeast Asian neutrals against Chinese and Russian aggression. Although certain Southeast Asian states (Indonesia and Burma) have adopted an attitude of neutrality in the present Sino-U.S.-USSR conflict in the hope of avoiding general conflict in the Far East, it seems likely to the Bureau of Far Eastern Affairs that, if the Communists succeed in Korea, Southeast Asian fears of Chinese imperialism will increase and that these fears alone will probably serve to accelerate the tendency of Southeast Asia to align itself with the United States through the adoption of benevolent neutrality or in some cases, outright alliance.

While this development in Southeast Asia may be regarded as a source of gratification to the United States, it also confronts the United States Government with a problem of the most serious character: If our diplomacy succeeds in Southeast Asia the United States must decide how much it is prepared to pay in the way of military assistance to validate that success. If, upon careful consideration of all the factors involved, the United States Government decides that it can afford to supply to the countries of Southeast Asia military assistance requisite to their making a stand on their own and our behalf, well and good. If, on the other hand, it is our carefully considered conclusion that, due to the demands for military assistance from other areas of strategic importance to the United States we can not follow through on the military program which our political program foreshadows, then we must trim our sails accordingly. In a word, the United States has in Southeast Asia reached the point where we must decide whether we shall put up or shut up.

Meanwhile, the threat of Chinese Communist invasion of Southeast Asia (Indochina and Burma in particular) increases. While intelligence estimates do not indicate an increase in the intention of the Chinese to invade the area, all intelligence reports testify to an increase in their ability to do so. Indirect Chinese Communist involvement in Ho Chi Minh's military operations is at the same time increasing daily.

The strategic, political and economic importance of the region known as Southeast Asia has long been recognized by both the mili-

tary and the political authorities of this Government (see NSC 64, Tab (A); Joint Chiefs estimates, Tabs (B) and (C); letter from General Marshall, Tab (D)).²

In full recognition of the strategic importance of the area, the United States Government has embarked upon programs for the extension of military and economic assistance to the several countries comprising the area described below. It should be borne in mind at all times that the Governments of the area as well as the Governments of France, the United Kingdom and the Netherlands are predicating their policy on the supposition that those programs will be executed by this Government.

The United States Government has pursued its policy in Southeast Asia with the expenditure of relatively little in the way of money and matériel. The following lists (in thousands of U.S. dollars) the amount the United States is spending for military assistance, economic and technical assistance programs in the countries of Southeast Asia during 1950-51:

<i>Country</i>	<i>Mutual defense assistance</i>	<i>Economic and technical assistance programs</i>
Burma	\$3, 500	\$4, 350
Thailand	10, 001	4, 190
Indochina	164, 000	7, 650
Malaya*		
Indonesia	3, 000	6, 273
The Philippines	11, 247	130
Total:	\$191, 748	\$22, 593

Burma

The Union of Burma is a country of considerable strategic importance because of its geographic location between India and China and because of its ability to produce, even under present unsettled conditions, an export surplus of more than 1,000,000 tons of rice per annum. During the early period of its independence (1948-1949) the country was on the ideological borderline, and the question of possible military assistance was held in abeyance pending a clarification of the attitude of Burma toward international Communism. Its potential value to us was lessened by the widespread disorder that prevailed in the country during that period.

During the past year, however, our efforts to win over Burma to the side of the democratic nations have met with remarkable success, partly as a result of the measures that we have taken and partly as

² The tabs do not accompany the source text, NSC 64, "The Position of the United States With Respect to Indochina," a report to the National Security Council by the Department of State, February 27, 1950, printed in *Foreign Relations*, 1950, vol. VI, p. 744.

*Policy decision as to nature of aid for Malaya has not been settled. [Footnote in the source text.]

a result of the growing threat of Communist China. During this period, we have greatly expanded our information and cultural relations program in Burma and have entered into an agreement with the Burmese Government for the establishment of a technical and economic mission and the granting of aid for the rehabilitation of the Burmese economy, which was completely disorganized by the war and internal disorder. Our program in this field will cost between \$8,000,000 and \$10,000,000 during the present fiscal year. Military assistance has been limited to an agreement to supply the Burmese Government with ten reconditioned patrol boats for use in maintaining order along the waterways and in protecting shipments of rice and other goods on the rivers. This military aid supplements the assistance being granted by the British and is costing approximately \$3,500,000.

In recent months, it has become increasingly clear that Burma would eventually join the free nations of the world in resisting Communist aggression. Within the past week, a definite decision has been reached by the Burmese Foreign Relations Advisory Board that Burma will resist any aggression from China and that the Burmese armed forces will be increased to the fullest extent possible to meet this threat in cooperation with India. The Board has also expressed its intention to incarcerate all Communists and "Left Wing Socialists". The Board has indicated that it may request the United States and the United Kingdom each to train 300 Burmese officers in this connection, and it is apparent that the granting of substantial additional assistance may also be highly advantageous to us. It is too early now to determine the form or extent of this aid, but we should be negligent if we failed to make provision for substantial military help to Burma when conditions require it.

Thailand

Our policy toward Thailand since World War II has been successful in securing Thailand's forthright support of the United Nations and the Western powers. This is illustrated by Thailand's furnishing ground troops to the United Nations in Korea; by supporting in general United States objectives in the various subsidiary organizations of the United Nations; and, alone among Oriental nations, extending diplomatic recognition to the States of Vietnam, Laos and Cambodia. These were bold moves for a small nation which never before in its history had committed itself unequivocally on an international issue which might endanger its own sovereignty. Thailand's declared opposition to Communism is important to the world because geographically it lies in the heart of the Indochinese peninsula and forms a hard core of opposition which serves to bolster the left and right wings in Burma and Indochina as well as Malaya to its rear. If Thai-

land were to go Communist it would simplify Viet Minh or Chinese Communist action in flanking any resistance in either Indochina or Burma. Thailand furthermore is voluntarily channeling its rubber and tin to the Western powers and is generally cooperating economically.

Such support from Thailand has cost the United States little except careful diplomatic handling. It has received no large loans nor any extensive aid programs. A \$20,000,000 surplus property credit was granted after World War II of which Thailand used less than \$7,000,000. A \$10,000,000 military aid program for 1950 has been approved in order to equip the Thai Army against possible internal Communist efforts but of this amount only a fraction has actually been shipped. It is believed, however, that in view of Communist successes in Korea and in Tonkin that military aid for Thailand should be substantially increased in quantity and in priority in order that this nation might continue to stand against Communist aggression.

Indochina

It is generally acknowledged that if Indochina were to fall under control of the Communists, Burma and Thailand would follow suit almost immediately. Thereafter, it would be difficult if not impossible for Indonesia, India and the others to remain outside the Soviet-dominated Asian bloc. Therefore, the Department's policy in Indochina takes on particular importance for, in a sense, it is the keystone of our policy in the rest of Southeast Asia.

Even before the Japanese Army of Occupation had been evacuated from Indochina it became evident that there was a nationalist movement brewing there which would have to be dealt with promptly in one way or another. A military solution was impossible and the French decided, either for that reason or in acknowledgment of the fact that some sort of alteration in the prewar type of colonial administration of overseas territories would eventually be required, chose the only practical course open to them at that time—to negotiate with Ho Chi Minh. The Fontainebleau Pact which followed proved to be a miserable failure. Its principal purpose in the end, ironically enough, was to serve as a precedent for the series of agreements which the French were later to conclude with Ho Chi Minh's greatest rival, Bao Dai, and which were to result in a degree of independence for the Associated States which Ho Chi Minh had never been able to obtain, either by political or military means.

By the time Ho had gone underground in December 1946 certain essential facts were becoming evident to us as they were to the French. They included the realization that Ho was not the benevolent nationalist patriot he claimed to be but rather a clever and devoted disciple of the Kremlin. A solution to the Indochina problem could not be achieved through him if Western interests were to be served.

Until an alternate could be found there was no course but to oppose Ho by force of arms. The alternate was and is, Bao Dai, the only man in Indochina capable of commanding a following comparable to that of Ho and serviceable as a framework within which a non-Communist government could be formed.

The Department's policy at this time, late 1948-early 1949, had gelled. It was, in simplest terms, to prevent Ho and his Kremlin allies from gaining control of Indochina by every means possible and to bring a friendly influence to bear on the French to make whatever concessions to the Indochinese were required to bring about the restoration of internal security and the establishment of a stable non-Communist nationalist government capable of maintaining it. The course we have and are pursuing is an outgrowth of these two basic objectives.

In the short period of time since the present mold was set by the Baie d'Along Agreement of June 1948, remarkable progress has been made in "Operation Eggshell". There is no need to dwell on the series of developments culminating recently in the decision of the French Government to grant the Associated States a full measure of independence within the French Union as exemplified by the agreements reached at the Pau Conference.

However satisfactory progress may have been, we are now in a crucial period. Aside from the ever present threat of Chinese intervention, which would of course change everything, we are now in a stage where our participation in the over-all operation must be greater than ever before. French cooperation in the form of political concessions and assurances of continued military and financial aid has been received. We can expect little, if anything, more from the French side.

It is, moreover, doubtful if the French concessions would ever have been made if our assurances of financial and military aid to them and to the Associated States had not been forthcoming at the same time. It is certain that without our military and financial aid the attainment of the ultimate goals we have been aiming at during the long difficult operation of the last five years will be impossible. Unless we carry out our present program, it is questionable whether the French can be counted on to carry out their program. At best it will be a period of years before the Associated States are able to fully assume the responsibility they have so recently acquired. They will need constant aid. They must turn to us for it if they are not to turn elsewhere.

Above all, we cannot afford to jeopardize the considerable measure of success our policy has already had in Indochina by neglecting to provide the proper maintenance for our investment. French cooperation will be required at all times and can only be assured if we,

ourselves, continue to give constant evidence of our determination to see the matter through. In sum, to neglect to pursue our present course to the utmost of our ability would be disastrous to our interests in Indochina and, consequently, in the rest of Southeast Asia.

Malaya

Malaya which forms the tail of the Indochinese peninsula, although being a small nation of only 6,000,000 is of vital importance to the Western powers because it is the world's largest tin producer, exporting almost 60,000 tons in 1949; and is the world's largest rubber producer, supplying in 1949 almost half of the world's natural rubber. Furthermore, it is the largest dollar income area in the British Empire and is exceedingly important fiscally to the stability of that Empire. At this time the British are asking for about \$8,000,000 worth of equipment to assist them in suppressing Chinese Communist guerrillas. A carefully devised plan is being put in operation which uses about 20,000 British troops and 100,000 police and special police and which aims to extend substantial civil administration to the disturbed areas. It is believed that high enough priority should be given to British requirements for those materials which they are not able to produce themselves within a reasonable period of time in order to support their anti-Communist program.

Indonesia

Indonesia, supporting a population of 75-million (second largest Moslem country in the world) is completing its first difficult year as an independent nation. It has been beset by a series of economic and political troubles. These include in the political field, the Westerling Affair, the Makassar revolt, the Ambon rebellion, which came to the attention of the Security Council, and the establishment of a unitary state. Economically, disturbances to law and order have reduced plantation production. Labor, generally restive, has been exploited by Communists.

The Indonesian Government obtained a vote of confidence and resolved the Ambon affair early in November. Since that time the Government of Indonesia has proceeded in a satisfactory manner. Its troops are being withdrawn from the Ambon area to Java, where a series of measures designed to improve law and order are scheduled to take place. The Government has slowly come to appreciate the dangers of Communist infiltration and, according to private statements of responsible Ministers, is preparing appropriate moves. The Indonesian Government now has a surplus foreign exchange amounting to approximately \$65-million, all earned since the transfer of sovereignty; has in addition, \$185-million in gold reserves; and has produced some useful projects to be financed by the \$100-million

Export-Import Bank's loan. The Finance Minister, in discussing this loan with Parliament last month, pointed out that while the United States was charging only 3½ percent interest, the Russians on their loan to the Chinese were charging actually 487.5 percent interest because of the devaluation of the ruble. The Minister pointed out that Russia wanted payment in gold or United States dollars.

We have quietly assisted the Indonesians with \$3-million worth of arms for the Constabulary, which is now going to be put to good use in the forthcoming measures directed against Communist and other disruptive elements. Several groups of Indonesian police have discreetly received training in this country. We have five Indonesians in the Foreign Service Institute. Our constant concern has been to bring subtly, without overt American influence which might damage the susceptibilities of the very touchy Indonesian nationalists, the Indonesians to face the reality of the dangers inherent in Russian and Chinese colonialism and imperialism.

Ambassador Cochran has constantly advised us, and his advice has in large measure been followed, of the too noticeable influx of American officials into Indonesia.

The only real check we have encountered occurred in the failure of the Indonesian Government to make requests for much-needed military equipment from the Melby-Erskine Mission. While this check was in part occasioned by internal domestic factors identified above, the major explanation lies in the size of the Mission, some 25 people arriving in a special Air Force plane. We have reason to believe that the Indonesians, who are inclining more noticeably toward the West, will in the near future request further armed assistance from us. At the present time they wish only reimbursable assistance, or assistance in making purchases on the open market in the United States which, of course, is almost non-existent, due to the exigencies of the international situation. We feel that every possible assistance consistent with the broadest interpretation of the law of applicable United States legislation should be afforded the Indonesians in this matter.

The Joint Chiefs of Staff, on November 7, in a letter from the Secretary of Defense,³ stated that a hostile Indonesia would present a serious problem not only because of its loss as a source of petroleum (for Indonesia supplies the only important available petroleum production, save in the Middle East, outside the Western Hemisphere) but also because of the important quantities of tin and rubber which Indonesia produces. The Joint Chiefs point out further that should Indonesia be hostile in the event of war between the United States and the USSR, the security of our lines of communication and the South Pacific-Indian Ocean area will become exceedingly tenuous and that

³ For the letter under reference, see *Foreign Relations*, 1950, vol. VI, p. 1092.

our anti-submarine problem in that area will be increased because of the availability to the enemy of safe anchorages and refueling and re-supply points through an extremely large area. They recommend that political, economic, and psychological actions which encourage the benevolent neutrality of Indonesia in the event of a United States and USSR war be continued by the appropriate Government Agencies.

Part of our ability to provide benevolent neutrality, if not active support of the West, will depend upon our ability to accommodate the Indonesians with regard to their requests for assistance in the form of military equipment, be it by purchase, grant, or on a reimbursable basis.

The Philippines

The Philippines presents a unique and special case for the United States because (1) it is a vital link in the chain of American security in the Pacific; and (2) it is probable that the defection of the Philippines from the American orbit would more than any other single factor discredit the United States throughout the length and breadth of Asia. The Philippines is generally regarded by Asia as evidence of American sincerity and capability, and if we fail there the rest of Asia will surely consider we have nothing to offer elsewhere. For these reasons it is vital that we hold the Philippines whatever the cost—unless we are prepared to write off Asia.

Even taking into full account the state of complete prostration in which the Philippines found itself at the end of the war against Japan, it must be admitted that the record of the first five years of Philippine independence is a disappointment. A tremendous amount remains to be done to restore Philippine economy to a self-supporting basis, and to establish and maintain internal law and order. The measures taken during the last few months to secure these objectives have been most encouraging.

Through the persuasive efforts of our representatives in Manila, the Philippine Government and people now give every evidence of being fully aware of the dangers of their position and are seemingly determined to take the necessary remedial measures. The Bell Mission report on economic rehabilitation and development has been accepted and the Congress has been called into special session to enact legislation required as a precedent to American aid. A new Secretary of National Defense has been appointed who has already taken significant steps to clean up the corruption and inefficiency in the Philippine armed forces which has been so largely responsible for the failure to cope with the Huk problem. The Philippine Government by such measures as despatching Philippine troops to Korea has placed itself unequivocally on the side of the United States. These efforts of the Philippine Government to make itself stable and to cope with the

Communist problem can, however, succeed only with American assistance. The alternative to this assistance is the loss of the Philippines.

Strategic Economic Importance of Southeast Asia

Control over the economic resources of Southeast Asia would be a key prize in a world conflict. Japan regarded such control as a *sine qua non* in the last war. The stakes would be equally high in the next war.

The foundations of an all-out Chinese Communist war effort could be seriously undermined by famine. With Southeast Asia under Chinese control this constant threat would be removed (over three-fourths of the world's, and all of Asia's, exportable surplus of rice comes from Southeast Asia). But the threat of famine could also imperil the defense of Japan and India. Southeast Asia's rice is therefore a double-edged sword. Under our control it would materially help the defense of other parts of the free world, and at the same time deny the enemy an essential requirement. The summary facts are that China's annual deficit of rice is around 400,000 tons; that of Japan, around 800,000 tons. India's annual requirements are around 400,000 tons. Southeast Asia's annual surplus is about 2,500,000 tons.

Over 90% of the world's natural rubber supply is produced in Southeast Asia. Without access to this rubber our own war potential may be seriously crippled. Our stockpile objective is 1,200,000 tons. Yet at present, our holdings amount to little more than half of this. Recent calculations based upon maximum procurement, accelerated synthetic production, and curtailed civilian consumption indicate that our stockpile objective cannot be reached until at least early 1952. Unless we continue to have access to Southeast Asia for at least another year and one-half our stockpile objective will almost certainly fail. The implications of such a failure upon our own war potential do not need elaboration.

Our vital dependence upon Southeast Asia for tin is almost as great as for rubber. Over 60% of the world's, and our own, supply of tin is produced in Southeast Asia. Of a stockpile objective of around 285,000 tons, we now have only 100,000 tons. Present plans are to purchase for stockpile an additional 50,000 tons a year for the next three years (this amounts to about $\frac{1}{3}$ of the total world's annual production). If Southeast Asia were to fall within the next year or so, the stockpile objective would be seriously imperiled.

These three commodities, rice, rubber, and tin constitute the consummate prize of Southeast Asia. At present, we must value each additional month that the area remains free as a net addition to the strength of our military potential. Each additional month that we have access to the area's rubber and tin means two additional months of supply of these commodities for a war-time U.S. economy. Each

additional month's access to the supply of the area's rice can hasten the day of food shortage in Communist China, and delay the day of an acute food crisis in Japan and India.

Recommendation:

It is recommended that the Deputy Under Secretary seek the views of SP on this problem with particular reference to Mr. Ohly's memorandum (Tab E)⁴ on which this memorandum is the commentary. It is further recommended that the Deputy Under Secretary decide, upon the advice of SP, as to the manner in which the Secretary should be asked to make a final decision as to the solution of the problem identified in the foregoing.

⁴The tabs do not accompany the source text. Reference is presumably to a memorandum titled "Urgent Questions with respect to Military Assistance to Indochina," transmitted to the Secretary of State and others by John H. Ohly, Acting Deputy Director, International Security Affairs, on January 29, not printed. In this detailed and technical account of the situation created by unprogrammed French requests for additional military assistance for Indochina, Ohly noted that a positive U.S. response could be made only at the expense of military assistance programs in other areas. (751G.5 MAP/1-2951) For documentation on military aid to Indochina, see pp. 332 ff. For another expression of Ohly's views, see memorandum titled "Reappraisal of U.S. Policy with respect to Indochina," November 20, 1950, *Foreign Relations*, 1950, vol. VI, p. 925.

PSA Files: Lot 54D190

Memorandum of Conversation, by the Ambassador at Large (Jessup)

CONFIDENTIAL

[WASHINGTON,] February 1, 1951.

Subject: Southeast Asia

Participants: Dr. J. G. de Beus, Minister Plenipotentiary, Netherlands Embassy
Philip C. Jessup, S/A

Mr. de Beus called on me chiefly for the purpose of giving me a copy of an article which he had written on which he would be interested to receive my personal comments. In the course of his conversation he touched on several other matters.

In regard to Southeast Asia he said that the defense of Indochina was vital. If Indochina fell the Thais would not resist and admit as much. Burma was very weak and could not defend itself. Malaya would fall and so would Indonesia. He assumed in reaching these conclusions that a very large factor in the situation in Siam, Singapore and Indonesia would be the large Chinese populations.

I told him that I agreed that the defense of Indochina was extremely important in this whole picture and that we had been acting on that assumption. I told him however that personally I thought it would be a mistake to throw in the sponge if the French were defeated

at Tonkin. There would be the possibility that the French might be able to hold the southern part of the country. There was the possibility that the British could hold the Ka Isthmus. I admitted the problem created by the Chinese populations in the various countries but pointed out that the absence of Communist China's sea and air power made the situation somewhat different from that which existed when the Japanese overran this area. I also noted that there was a difference between the situation in Singapore and Indonesia. The British might not be ruthless in dealing with the Chinese in Singapore but Indonesian history indicated that the Indonesians might exterminate the local Chinese if they gave trouble. De Bens conceded these points.

In regard to India, de Beus said that their representative in New Delhi had recently talked with Nye,¹ the British Commissioner. Nye had said that the relations between the UK and India were now probably better than they had ever been before. He thought, however, that Nehru² would not make any basic decision regarding lining-up with the East or the West until the very last moment when the show down came and then it would be too late. Moreover, he was not at all sure which way Nehru would choose at that point.

PHILIP C. JESSUP

¹ Lt. Gen. Sir Archibald Nye, High Commissioner for the United Kingdom in India.

² Jawaharlal Nehru, Prime Minister of India.

INR Files ¹

Memorandum by the Central Intelligence Agency

SECRET
NIE-20

[WASHINGTON,] 20 March 1951.

NATIONAL INTELLIGENCE ESTIMATE ²

RESISTANCE OF THAILAND, BURMA, AND MALAYA TO COMMUNIST PRESSURES IN THE EVENT OF A COMMUNIST VICTORY IN INDOCHINA IN 1951 ³

THE PROBLEM

To assess the will and ability of Thailand, Burma, and Malaya to resist Communist political and military pressures or outright invasion in the event of a Communist victory in Indochina in 1951.

¹ Files retained by the Bureau of Intelligence and Research, Department of State.

² For information on the National Intelligence Estimate series, see footnote 3, p. 469.

³ For documentation on U.S. relations with Thailand, see pp. 1491 ff.; regarding U.S. relations with Burma, see pp. 267 ff.; and regarding U.S. policy with respect to Indochina, see pp. 332 ff.

CONCLUSIONS

1. A Viet Minh victory in Indochina in 1951, if accomplished without the intervention of Chinese Communist forces, would result in increased intimidation and subversive activity directed against Thailand and Burma, but it would not necessarily lead to the early establishment of Communist or Communist-dominated governments in these two countries.

2. A Viet Minh victory in Indochina in 1951, if accomplished through Chinese Communist military intervention, would increase the susceptibility of Thailand and Burma to Communist pressures and we believe that, in the absence of effective internal countermeasures and outside support, these two countries would be obliged to seek an accommodation with the Communist powers.

3. Communist domination of Thailand and Burma, as well as Indochina, would greatly increase British security problems in Malaya. We believe that the British under these circumstances would not be able to maintain even their present degree of control in Malaya without a very considerable increase in their military and economic commitments.

4. It is most unlikely that the Viet Minh, without Chinese Communist participation, would attempt to conquer Thailand and Burma in 1951.

5. If the Chinese Communists, after establishing control over Indochina, continued their military advance into Burma and Thailand, we believe that both those countries would rapidly fall to the Communists, unless the UN or the Western Powers interposed their own forces. A Chinese Communist invasion of Malaya would be more difficult, but would probably succeed unless Malaya were greatly reinforced.

6. It is most improbable that a regional defense of Southeast Asia could be organized in time to stop the Chinese Communists if they followed up the conquest of Indochina in 1951 with a military advance into other countries of the area.

DISCUSSION

7. In the event that the Viet Minh should succeed in conquering Indochina during 1951 without large-scale intervention by Chinese Communist forces, the prestige of Ho Chi Minh⁴ would be greatly enhanced throughout Southeast Asia. Furthermore, the defeat of the French Union forces despite US support would intensify the feeling of insecurity in the neighboring countries and facilitate the spread of Communism in the area.

a. Initially, if the Viet Minh did not demonstrate the intention, either alone or in collusion with the Chinese Communists, to embark

⁴ President of the Democratic Republic of Viet-Nam.

on further military aggression, the governments of Burma and Thailand would continue to oppose Communism internally and would not align themselves with the Communist powers. Burma would probably recognize the Viet Minh Government and attempt to cultivate friendly relations with it. The Government of Thailand, although it also might recognize the Viet Minh Government, would attempt to build up its own defenses against Communist forces and undoubtedly would request increased US aid.

b. A Viet Minh victory, nevertheless, would expose Burma and Thailand to increased subversion and intimidation which, in the absence of effective internal countermeasures (which they might not be capable of taking) and outside aid, might well lead to the eventual overthrow of the present non-Communist governments. Under such circumstances, the British security problem in Malaya would be greatly magnified.

8. Large-scale participation of Chinese Communist military forces in a Viet Minh victory would cause far greater repercussions in Southeast Asia than a victory by the Viet Minh alone. It would be interpreted as a success for Chinese arms rather than a victory for Indochinese nationalism. Throughout Southeast Asia, where there is already a strong antipathy for the Chinese, it would intensify fears of Chinese invasion and domination. In view of the general weakness of the countries in the area, however, Chinese Communist military intervention in Indochina would undermine the will of Thailand and Burma to resist and would increase the probability that they would accommodate with the Communist powers.

a. Thailand would probably conclude from the failure of the US-backed French military effort that the present type of US aid would not be sufficient to provide protection. In these circumstances, the Thai would be likely to yield to military and political pressure combined with Communist offers of apparently reasonable political terms in exchange for a "friendly" government. Initially, the Phibul⁵ regime would probably attempt to counter Communist pressure by calling for full UN or US military protection. Should it fail to obtain such protection, the present Thai Government would probably be superseded by one acceptable to the Communists.

b. Burma would not be likely to yield to external military threats or political pressures. Within Burma itself, however, there remain rebel forces potentially capable of overthrowing the government. If the Communists should secure control of Thailand, with consequent access to the Thai-Burma border, they would be in a better position to reinforce those dissident elements. Sufficient outside support for the dissidents, combined with external pressures, would make it unlikely that Burma could retain an anti-Communist government.

9. In Malaya, the British, with some 39,000 regular troops and 100,000 regular and auxiliary police, have not succeeded in suppressing about 5,000 local Communist guerrillas. The Malays, although form-

⁵ Field Marshal Phibul Songgram, Premier of Thailand.

ing the bulk of the present police force and generally supporting the British out of fear of the Chinese, would continue to contribute little to the British military effort if opposition were increased. The aggressive and economically powerful Chinese element has generally failed to cooperate with the British in suppressing the guerrillas, and a considerable number of them could be expected to turn against the British if Malaya were seriously threatened by Communist China. Furthermore, Communist control over Indochina, Thailand, and Burma would facilitate transborder aid to the Malayan rebels and deprive Malaya of its essential rice supply. In these circumstances, the opposition to the British would become increasingly unmanageable, and the British would not be able to maintain even their present degree of control in Malaya without a very considerable increase in their military and economic commitment.

10. We believe that an attempt to conquer Thailand or Burma by the Viet Minh without Chinese Communist participation is most improbable in 1951, although border incursions of northeast Thailand cannot be excluded.

11. If the Chinese Communists, after a victory in Indochina, continued a military advance into Burma and Thailand and if the UN or the Western Powers did not interpose their own forces, we believe that both these countries would rapidly fall to the Communists because they do not possess the military strength to resist such an invasion. Thailand, perhaps after a token resistance, would soon install a government acceptable to the Communists in the hope of retaining at least a semblance of autonomy. Burma, if directly attacked, would probably fight but would soon be defeated. A Chinese Communist invasion of Malaya would be more difficult because of the terrain and the presence of British military forces, but it would probably succeed unless Malaya were greatly reinforced.

12. Present or planned outside military aid to Burma and Thailand, although it will eventually strengthen these countries, will not in the predictable future enable either of them to defend itself successfully against a Chinese Communist attack. Military aid to Burma—which has been chiefly British—has been of limited effectiveness owing to lack of Burmese cooperation, and because it has been largely expended in the Burmese internal conflict. The US aid planned for Thailand, when completed, would help Thailand to maintain internal security, but would not enable it to do more than fight a delaying action against a Chinese Communist invasion. The Thai, however, would probably not fight even a delaying action unless previously assured of support by outside military forces.

13. In view of the limited capabilities of the countries of Southeast Asia and their wide divergencies of interest, it is most improbable that a regional defense of Southeast Asia could be organized in time

to stop the Chinese Communists, if they followed up the conquest of Indochina in 1951 with a military advance into other countries of the area.

890.00 TA/4-2751

Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Under Secretary of State (Webb)

CONFIDENTIAL

[WASHINGTON,] April 27, 1951.

Subject: Relationship of Point IV to ECA in Southeast Asia ¹

This is in response to your request ² that there be set forth the basis for FE's position that technical assistance (Point IV) in Southeast Asia should be administered by ECA. In taking this position FE obviously has no intention of reflecting either on the basic merit of Point IV as a program or on the quality and sincerity of the Point IV Washington staff which the Department has been fortunate enough to assemble. We are motivated rather by a desire to get on with the job that has to be done to achieve U.S. objectives in the area in the most effective, best coordinated, and least confusing manner.

FE had originally insisted that there should be a separate Point IV operation in Southeast Asia. It was with some regret that we concluded after being confronted with a number of resultant difficulties after some months that it would not work out. Accordingly, we have already taken steps in certain of these countries, with the approval of TCA, to merge the two programs under ECA. Our position is based on two sets of reasons: (1) those dealing with fundamental principles for effective aid programs in the area, and (2) those dealing with the special circumstances which are present in Southeast Asia.

1. *Fundamental Principles*

a. Having two U.S. agencies providing similar types of assistance serves to confuse the recipients and affords opportunities for the agencies to be played off against each other.

b. Jurisdictional bickering between the agencies is inevitable even with the best of intentions because of the difficulty of distinguishing the infinite number of projects falling under the heading of either "economic" aid or of "technical" assistance. For example, distinguishing between "training" and "education" is but one of the more obvious areas of conflict.

c. Under dual agency operations there is inevitably waste of manpower in (1) coordination activities, (2) duplication of effort, (3) duplication of supervision and overhead, and (4) multiple demands on the limited number of officials of the recipient governments.

¹ Documentation on global aspects of this relationship is scheduled for publication in volume I.

² Not identified.

d. The State Department is unfortunately hamstrung in the competition for the limited number of qualified U.S. technicians who are available for assignment to the Far East because of the security investigation requirements and lower salary scale.

2. *Special Circumstances in Southeast Asia*

a. When the Associated States of Indochina were informed by our Legation that the United States was making available Point IV assistance under an administrative setup separate from STEM, it became abundantly clear that French objections to multiple U.S. agency operations would prevent an effective Point IV program. The French are of course concerned about the creation of additional channels of direct communication between the Associated States and the United States and afraid of the replacement of French technicians with Americans. They have accepted, however, the STEM concept of providing technicians on the basis that they are there primarily in connection with an economic program and are really there to oversee the effective use of supplies and equipment provided by the United States rather than as merely technicians bringing "know how" in direct competition with French experts. We have recognized the realities of this situation and have delegated to ECA responsibility for Point IV in Indochina with the approval of TCA.

b. In both Burma and Thailand the ECA has virtually completed the establishment of its missions and has been most successful in its efforts to have the respective governments establish appropriate mechanisms to coordinate their economic and technical assistance programs both with the U.S. and with the large number of U.N. agencies planning to engage in programs in these countries. It has been extremely difficult in the case of Burma to work out a satisfactory delineation of projects under even the limited concept of segregating "education" as a Point IV field. Similarly in Bangkok there was the same problem of constant delay while projects were being assigned and Point IV staff was non-existent.

c. We found that the provision of specialists without a substantial quantity of demonstration supplies and equipment would be relatively ineffectual because of the lack in Southeast Asia of the specific matériel directly needed to make the "know how" useful.

d. In both Formosa and the Philippines the situation so predominantly calls for substantial economic assistance that there can be little question of the direct advantages accruing from having the ECA administer the comparatively minor portion of Point IV that would be provided.

S/S Files : Lot 63D351¹ : NSC 48/5

*Report to the National Security Council by the Executive Secretary
(Lay)*

TOP SECRET

WASHINGTON, May 17, 1951.

NSC 48/5

UNITED STATES OBJECTIVES, POLICIES AND COURSES OF ACTION IN ASIA

- References: A. NSC 48 Series²
 B. NSC Action No. 471³
 C. Memos for NSC from Executive Secretary, same subject, dated May 14 and 15, 1951⁴
 D. NSC 13 Series⁵
 E. NSC 22 Series⁶
 F. NSC 34 Series⁷
 G. NSC 37 Series⁸
 H. NSC 60/1⁹
 I. NSC 81 Series¹⁰
 J. NSC 101 Series¹¹

¹ Master Files of National Security Council documentation, 1947-1961, retired by the Executive Secretariat of the Department of State.

² NSC 48/2, a report titled "The Position of the United States With Respect to Asia," December 30, 1949, is printed in *Foreign Relations*, 1949, vol. VII, Part 2, p. 1215.

³ NSC Action No. 471, taken by the National Security Council at its 91st Meeting, May 16, recorded NSC adoption of the present report. It also specified that the NSC would recommend to President Truman that should he approve the report, he should agree to its superseding certain other NSC series as indicated in the third paragraph below. (S/S Files : Lot 62D1 : NSC Actions)

⁴ Neither printed.

⁵ NSC 13/1, a report titled "Recommendations With Respect to U.S. Policy Toward Japan," September 24, 1948, and NSC 13/2, same title, October 7, 1948, are printed in *Foreign Relations*, 1948, vol. VI, pp. 853 and 857, respectively. NSC 13/3, same title, May 6, 1949, appears in *ibid.*, 1949, vol. VII, Part 2, p. 730.

⁶ NSC 22, a report titled "Possible Courses of Action for the U.S. With Respect to the Critical Situation in China," July 26, 1948, and NSO 22/1, August 6, 1948, same title, are printed in *ibid.*, 1948, vol. VIII, pp. 118 and 131. NSC 22/2, "Current Position of the U.S. Respecting Delivery of Aid to China," December 15, 1948, is also included in *ibid.*, p. 231. NSC 22/3, same title, February 2, 1949, is printed in *ibid.*, 1949, vol. IX, p. 479.

⁷ NSC 34, a draft reported titled "U.S. Policy Toward China," October 13, 1948, is printed in *ibid.*, 1948, vol. VIII, p. 146. NSC 34/1, same title, January 11, 1949, and NSC 34/2, same title, February 28, 1949, are printed in *ibid.*, 1949, vol. IX, pp. 474 and 491, respectively.

⁸ Documents NSC 37 through 37/9, which were devoted to U.S. policy regarding Formosa, are printed in *ibid.*, pp. 261 ff. NSC 37/10, same subject, August 3, 1950, is printed in *ibid.*, 1950, vol. VI, p. 413.

⁹ NSC 60/1, a report titled "Japanese Peace Treaty," September 8, 1950, is printed in *ibid.*, p. 1293.

¹⁰ NSC 81, a report titled "U.S. Courses of Action With Respect to Korea," September 1, 1950; NSC 81/1, same title, September 9, 1950; and NSC 81/2, same title, November 14, 1950, are printed in *ibid.*, vol. VII, pp. 685, 712, and 1150, respectively.

¹¹ NSC 101, titled "Courses of Action Relative to Communist China and Korea," January 12, and NSC 101/1, "U.S. Action to Counter Chinese Communist Aggression," January 15, are scheduled for publication in volume VII.

The President has this date approved the statement of policy contained in NSC 48/4¹² as amended and adopted at the 91st meeting of the National Security Council (NSC Action No. 471), and directs its implementation by all appropriate executive departments and agencies of the United States Government under the coordination of the Secretaries of State and Defense.

The approved statement of policy is accordingly circulated herewith for information and appropriate action. Also enclosed for information is the NSC staff study on the subject contained in the Annex to NSC 48/3,¹³ appropriately revised.

The President has also approved the Council's recommendation in NSC Action No. 471-c. Accordingly, the statements of policy contained in NSC 48/2, the NSC 13 Series, the NSC 22 Series, the NSC 34 Series, the NSC 37 Series and the NSC 81 Series are superseded herewith; further action on the NSC 101 Series is canceled, but NSC 60/1 is not superseded.

JAMES S. LAY, JR.

[Annex 1]

STATEMENT OF POLICY ON ASIA

GENERAL CONSIDERATIONS

1. United States objectives, policies, and courses of action in Asia should be designed to contribute toward the global objective of strengthening the free world vis-à-vis the Soviet orbit, and should be determined with due regard to the relation of United States capabilities and commitments throughout the world. However, in view of the communist resort to armed force in Asia, United States action in that area must be based on the recognition that the most immediate overt threats to United States security are currently presented in that area.

2. Current Soviet tactics appear to concentrate on bringing the mainland of Eastern Asia and eventually Japan and the other principal off-shore islands in the Western Pacific under Soviet control, primarily through Soviet exploitation of the resources of communist China. The attainment of this objective on the mainland of Eastern Asia would substantially enhance the global position of the USSR at the expense of the United States, by securing the eastern flank of the USSR and permitting the USSR to concentrate its offensive power in other areas, particularly in Europe. Soviet control of the off-shore islands in the Western Pacific, including Japan, would present an unacceptable threat to the security of the United States.

¹² NSC 48/5 is a slightly revised version of NSC 48/4, same title, May 4, which is not printed.

¹³ NSC 48/3, April 26, an earlier draft of NSC 48/4 and NSC 48/5, is not printed. The NSC staff study contained in NSC 48/5 is a slightly revised version of the Annex to NSC 48/3, April 26, which is not printed.

3. The United States should, without sacrificing vital security interests, seek to avoid precipitating a general war with the USSR, particularly during the current build-up of the military and supporting strength of the United States and its allies to a level of military readiness adequate to support United States foreign policy, to deter further Soviet aggression, and to form the basis for fighting a global war should this prove unavoidable. This should not preclude undertaking calculated risks in specific areas in the over-all interest of the defense of the United States.

4. The United States should seek the firm establishment and effective application of the principle of collective security and should, except in those instances when on balance the need for unilateral action outweighs other considerations, act in and through the United Nations, preserve solidarity with its principal allies, and maintain the continued cooperation of other friendly nations.

LONG-RANGE OBJECTIVES

5. The long-range national security objectives of the United States with respect to Asia are :

a. Development by the nations and peoples of Asia, through self-help and mutual aid, of stable and self-sustaining non-communist governments, friendly to the United States, acting in accordance with the purposes and principles of the United Nations Charter, and having the will and ability to maintain internal security, withstand communist influence, and prevent aggression.

b. Elimination of the preponderant power and influence of the USSR in Asia or its reduction to such a degree that the Soviet Union will not be capable of threatening from that area the security of the United States or its friends, or the peace, national independence and stability of the Asiatic nations.

c. Development of power relationships in Asia which will make it impossible for any nation or alliance to threaten the security of the United States from that area.

d. Insofar as practicable, securing for the United States and the rest of the free world, and denying to the communist world, the availability through mutually advantageous arrangements, of the material resources of the Asian area.

CURRENT OBJECTIVES

6. In view of the threat to United States security interests resulting from communist aggression in Asia, it should be the policy of the United States to :

a. Detach China as an effective ally of the USSR and support the development of an independent China which has renounced aggression.

b. Maintain the security of the off-shore defense line: Japan-Ryukyus-Philippines-Australia and New Zealand. Deny Formosa to any Chinese regime aligned with or dominated by the USSR and expedite the strengthening of the defensive capabilities of Formosa.

Attempt by all practicable means to forestall communist aggression in South and Southeast Asia.

c. Assist Japan to become a self-reliant nation friendly to the United States, capable of maintaining internal security and defense against external aggression and contributing to the security and stability of the Far East.

d. Promote the development of effective security and economic relationships among the free nations of Asia and the Pacific area, including the United States, on the basis of self-help and mutual aid, with appropriate United States assistance.

e. Continue as an ultimate objective to seek by political, as distinguished from military means, a solution of the Korean problem which would provide for a united, independent and democratic Korea. Seek, through appropriate UN machinery, as a current objective a settlement acceptable to the United States, of the Korean conflict which would, as a minimum (1) terminate hostilities under appropriate armistice arrangements; (2) establish the authority of the Republic of Korea over all Korea south of a northern boundary so located as to facilitate, to the maximum extent possible, both administration and military defense, and in no case south of the 38th Parallel, (3) provide for the withdrawal by appropriate stages of non-Korean armed forces from Korea; (4) permit the building of sufficient ROK military power to deter or repel a renewed North Korean aggression. Until the above current objective is attainable, continue to oppose and penalize the aggressor.

f. Consistent with *e* above and the protection of the security of U.S. and UN forces, seek to avoid the extension of hostilities in Korea into a general war with the Soviet Union, and seek to avoid the extension beyond Korea of hostilities with Communist China, particularly without the support of our major allies.

g. Assist the countries of South and Southeast Asia to develop the will and ability to resist communism from within and without, and to contribute to the strengthening of the free world.

h. In accordance with 5-*d* above, take such current and continuing action as may be practicable to maximize the availability, through mutually advantageous arrangements, of the material resources of the Asian area to the United States and the free world generally, and thereby correspondingly deny these resources to the communist world.

7. In accordance with the above, the United States should pursue in the respective areas of Asia the courses of action set forth in the following paragraphs.

8. While continuing to recognize the National Government as the legal government of China, the United States, with respect to Communist China, should now :

a. Continue strong efforts to deflate Chinese Communist political and military strength and prestige by inflicting heavy losses on Chinese forces in Korea through the present UN operation.

b. Expand and intensify, by all available means, efforts to develop non-communist leadership and to influence the leaders and people in China to oppose the present Peiping regime and to seek its reorientation or replacement.

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ERRATA

On p. 1, footnote 1, line 2, replace "see pp. 1109 ff." with:
see *ibid.*, pp. 1109 ff.

On p. 18, footnote 2, line 1, replace "source text," with:
source text.

On p. 212, line 9, replace "In the latter telegram," with:
In telegram Topad 1853, April 22,

On pp. 802-803, footnotes 5-10, replace "footnote 1" with:
footnote 4

On p. 1254, footnote 2, line 2, replace "May 3, p. 1024." with:
June 16, p. 1128.

On p. 1285, footnote 2, replace " ² See footnote 4 below." with:
² See the enclosure, p. 1282.

On p. 1303, footnote 2, replace "March 23, p. 946." with:
March 23, p. 944.

On p. 1358, Editorial Note, line 4, replace "For text, see page 33." with:

For text, see page 80.

On p. 1477, footnote 1, replace "*Ante*, p. 1467." with:
Ante, p. 1472.

c. Foster and support anti-communist Chinese elements both outside and within China with a view to developing and expanding resistance in China to the Peiping regime's control, particularly in South China.

d. Stimulate differences between the Peiping and Moscow regimes and create cleavages within the Peiping regime itself by every practicable means.

e. Continue United States economic restrictions against China, continue to oppose seating Communist China in the UN, intensify efforts to persuade other nations to adopt similar positions, and foster the imposition of United Nations political and economic sanctions as related to developments in Korea.

f. In order to be prepared for Chinese aggression outside Korea, to protect the security of UN and U.S. forces, and to provide for appropriate military action in the event that UN forces are forced to evacuate Korea, expedite the development of plans for the following courses of action, if such action should later be deemed necessary:

(1) Imposing a blockade of the China coast by naval and air forces.

(2) Military action against selected targets held by Communist China outside of Korea.

(3) Participation defensively or offensively of the Chinese Nationalist forces, and the necessary operational assistance to make them effective.

g. Continue as a matter of urgency to influence our allies to stand with us and fully support the taking of such actions as those indicated in *f* above if military operations outside Korea should be required.

9. With respect to the situation in Korea, the United States should:

a. Seek an acceptable political settlement in Korea that does not jeopardize the United States position with respect to the USSR, to Formosa, or to seating Communist China in the UN.

b. In the absence of such a settlement, and recognizing that currently there is no other acceptable alternative, continue the current military course of action in Korea, without commitment to unify Korea by military force, but designed to:

(1) Inflict maximum losses on the enemy.

(2) Prevent the overrunning of South Korea by military aggression.

(3) Limit communist capabilities for aggression elsewhere in Asia.

c. Continue its efforts to influence our allies to increase their support of and contribution to the UN operations in Korea.

d. Develop dependable South Korean military units as rapidly as possible and in sufficient strength eventually to assume the major part of the burden of the UN forces there.

e. If the USSR commits units of Soviet "volunteers" sufficient to jeopardize the safety of UN forces in Korea, give immediate consideration to withdrawing UN forces from Korea and placing the United States in the best possible position of readiness for general war.

f. If the USSR precipitates a general war, withdraw UN forces from Korea as rapidly as possible and deploy United States forces for service elsewhere.

g. Working in and through the organs of the United Nations where feasible, continue to strengthen the government and democratic institutions of the Republic of Korea, and continue to contribute to the United Nations efforts for economic recovery and rehabilitation in the Republic of Korea and in areas of Korea liberated from communist control.

10. With respect to Japan the United States should :

a. Proceed urgently to conclude a peace settlement with Japan on the basis of the position already determined by the President, through urgent efforts to obtain agreement to this position by as many nations which participated in the war with Japan as possible.

b. Proceed urgently with the negotiation of bilateral security arrangements with Japan on the basis of the position determined by the President to be concluded simultaneously with a peace treaty.

c. Assist Japan to become economically self-supporting and to produce goods and services important to the United States and to the economic stability of the non-communist area of Asia.

d. Pending the conclusion of a peace settlement continue to :

(1) Take such steps as will facilitate transition from occupation status to restoration of sovereignty.

(2) Assist Japan in organizing, training, and equipping the National Police Reserve and the Maritime Safety Patrol in order to facilitate the formation of an effective military establishment.

e. Following the conclusion of a peace settlement :

(1) Assist Japan in the development of appropriate military forces.

(2) Assist Japan in the production of low-cost military matériel in volume for use in Japan and in other non-communist countries of Asia.

(3) Take all practicable steps to achieve Japanese membership in the United Nations and participation in a regional security arrangement.

(4) Establish appropriate psychological programs designed to further orient the Japanese toward the free world and away from communism.

11. With respect to Formosa the United States should :

a. Continue, as long as required by United States security interests, the mission presently assigned to the 7th Fleet.

b. Encourage political changes in the Nationalist regime which would increase its prestige and influence in China proper.

c. Provide military and economic assistance to increase the potential of the Chinese forces on Formosa for the defense of Formosa and for such other uses as may be determined as a result of the planning pursuant to 8-*f* above.

12. The United States should continue the policy with respect to the Philippines set forth in NSC 84/2.¹⁴

13. The United States should continue the policy with respect to South Asia set forth in NSC 98/1.¹⁵

14. With respect to Southeast Asia, the United States should:

a. Continue its present support programs to strengthen the will and ability to resist communist encroachment, to render communist military operations as costly as possible, and thus to gain time for the United States and its allies to build up the defense of the off-shore chain.

b. Continue programs of information and educational exchange in the countries of Southeast Asia.

c. Encourage the countries of Southeast Asia to restore and expand their commerce with each other and the rest of the free world, stimulate the flow of the raw material resources of the area to the free world, and assist in establishing small arms production in appropriate locations in Southeast Asia under suitable controls.

d. In Indochina:

(1) Continue to increase the military effectiveness of French units and the size and equipment of indigenous units by providing timely and suitable military assistance without relieving the French authorities of their basic military responsibilities or committing United States armed forces.

(2) Continue to encourage internal autonomy and progressive social and economic reforms.

(3) Continue to promote international support for the three Associated States.

e. In Indonesia, the United States should seek to strengthen the non-communist political orientation of the government, promote the economic development of Indonesia, and influence Indonesia toward greater participation in measures which support the security of the area and Indonesian solidarity with the free world.

15. With respect to regional security arrangements, the United States should:

a. Conclude the post-treaty security arrangements with Japan as provided for in 10-*b* above.

b. Maintain the security relationships with the Philippines as provided for in 12 above.

c. Conclude a security arrangement with Australia and New Zealand.

d. Consider the desirability of security arrangements with other countries of Asia, either on a bilateral or multilateral basis.

e. Encourage and support closer economic and political cooperation with and among the countries of Asia in keeping with the objective stated in 6-*d* above.

¹⁴ NSC 84/2, a report titled "The Position of the U.S. With Respect to the Philippines," November 9, 1950, is printed in *Foreign Relations*, 1950, vol. VI, p. 1515.

¹⁵ NSC 98/1, a report titled "The Position of the United States With Respect to South Asia," January 22, 1951, is printed *post*, p. 1650.

[Annex 2]

NSC STAFF STUDY ON UNITED STATES OBJECTIVES, POLICIES AND
COURSES OF ACTION IN ASIA*

PROBLEM

1. To determine United States national objectives, policies, and courses of action with respect to Asia.

UNITED STATES LONG-RANGE NATIONAL OBJECTIVES IN ASIA

2. The long-range national security objectives of the United States with respect to Asia are :

a. Development by the nations and peoples of Asia, through self-help and mutual aid, of stable and self-sustaining non-communist governments, oriented toward the United States, acting in accordance with the purposes and principles of the United Nations Charter, and having the will and ability to maintain internal security and prevent communist aggression.

b. Elimination of the preponderant power and influence of the USSR in Asia or its reduction to such a degree that the Soviet Union will not be capable of threatening from that area the security of the United States or its friends, or the peace, national independence and stability of the Asiatic nations.

c. Development of power relationships in Asia which will make it impossible for any nation or alliance to threaten the security of the United States from that area.

d. In so far as practicable, securing for the United States and the rest of the free world, and denying to the communist world, the availability through mutually advantageous arrangements, of the material resources of the Asian area.

ANALYSIS OF THE SITUATION

3. United States objectives, policies, and courses of action in Asia should be designed to contribute toward the global objectives of strengthening the free world vis-à-vis the Soviet orbit, and should be determined with due regard to the relation of United States capabilities and commitments throughout the world. However, in view of the communist resort to armed force in Asia, United States action in that area must be based on the recognition that the most immediate threats to United States security are currently presented in that area.

4. Current Soviet tactics appear to concentrate on bringing the mainland of Eastern Asia and eventually Japan and the other principal off-shore islands in the Western Pacific under Soviet control, primarily through Soviet exploitation of the resources of communist China. The attainment of this objective on the mainland of Eastern

*For the purposes of this report, "Asia" is defined as that part of the continent of Asia south of the USSR and east of Iran together with the major off-shore islands—Japan, Ryukyu, Formosa, the Philippines, Indonesia, Ceylon, Australia and New Zealand. [Footnote in the source text.]

Asia would substantially enhance the global position of the USSR at the expense of the United States, by securing the eastern flank of the USSR and permitting the USSR to concentrate its offensive power in other areas, particularly in Europe. Soviet control of the off-shore islands in the Western Pacific, including Japan, would present an unacceptable threat to the security of the United States.

5. Asia is of strategic importance to the United States.

a. The strategic significance of Asia arises from its resources, geography, and the political and military force which it could generate. The population of the area is about 1,250,000,000. The demonstrated military capacity of the North Korean and Chinese armies requires a reevaluation of the threat to the free world which the masses of Asia would constitute if they fell under Soviet Communist domination.

b. The resources of Asia contribute greatly to United States security by helping to meet its need for critical materials and they would be of great assistance in time of war if they remained available. At least until stockpiling levels are met, this phase of the area's importance to the United States will continue. Further, the development of events which might lead to the exhaustion of such stockpiles would magnify the importance of this source of supply. The area produces practically all the world's natural rubber, nearly 5% of the oil, 60% of the tin, the major part of various important tropical products, and strategic materials such as manganese, jute, and atomic materials. Japan's potential in heavy industry is roughly equal to 50% of the Soviet Union's present production. Therefore, it is important to U.S. security interests that U.S. military and economic assistance programs be developed in such a manner as to maximize the availabilities of the material resources of the Asian area to the United States and the free world.

c. Control by an enemy of the Asiatic mainland would deny to us the use of the most direct sea and air routes between Australia and the Middle East and between the United States and India. Such control would produce disastrous moral and psychological effects in border areas such as the Middle East and a critical effect in Western Europe.

6. The fact of Soviet power and communist aggression in Asia establishes the context within which the policies of the United States must operate.

a. The problem of China is the central problem which faces the United States in Asia. A solution to this problem, through a change in the regime in control of mainland China, would facilitate the achievement of United States objectives throughout Asia. Therefore, United States policies and courses of action in Asia should be determined in the light of their effect upon the solution of the central problem, that of China.

b. The communist attack in Korea has transformed the Far East into a theater of combat. Whether the Kremlin or Peiping intends that hostilities be extended into other areas of Asia or aggression committed in another part of the world is as yet unknown. The United

States must expect either eventuality. In any case, the United States should use the resources which can be disposed, without unacceptably jeopardizing our objectives elsewhere, to prevent the communists from achieving a victory in Korea and to build resistance to communist encroachments in Asia.

c. Our ability to achieve national objectives in Asia will be conditioned by the capabilities and global commitments of the United States and by the weight of the effort the enemy is willing and able to make. Consequently, there is required a constant and careful scrutiny of policies and actions on the basis of which decisions can be made which will advance us toward our ultimate objectives without sacrificing immediate security interests.

7. The guiding principle of U.S. foreign policy as it relates to meeting the threat of Soviet aggression is the promotion of the establishment of a system of collective security based on the principles of the UN Charter. The United States is consequently forced inevitably to weigh elements of policy toward Asia against their effect upon the free world coalition, a coalition fundamental to our world-wide struggle for security against Soviet aggression.

8. The principal obstacles to the execution of United States policy in pursuit of its objectives in the Far East are as follows:

a. The policy and action of the Soviet Union.

(1) The Soviet Communists have historically considered Asia as one of their principal objectives; Bolshevik ideology devotes a prominent place to the capture of the "colonial and semi-colonial" areas of the world, by which is meant principally Asia. Soviet policy in Asia has been aided by the fact that communists have been successful to a large degree in subverting indigenous nationalist movements; the capture of these movements has been a goal of Kremlin policy.

(2) The Kremlin has not yet resorted to the large-scale and open employment of Soviet armed forces, although the aggression by both North Koreans and Chinese Communists indicates that the Kremlin is willing to undertake greater risks than in the past.

(3) The Kremlin, besides supplying and directing leadership of communist parties in Asia, and building centers of subversion, infiltration, and revolution, is providing military assistance to communist forces in Asia, both in matériel and in technical personnel.

(4) The fact that the Soviet threat is world-wide in character has prevented the concentration of free world effort against the various forms of communist aggression in Asia. The combination of political, military, technical and propaganda support given by the Soviet Government to the communist assault in Asia confronts the United States and its principal allies with a major challenge which vitally affects world power positions.

b. The policy and action of Communist China.

(1) Communist China is already involved in a major military aggression in Korea, is publicly committed to an attempt to seize

Formosa, may attack Hong Kong, and may increase its support to Ho Chi Minh to include the use of Chinese forces in Indochina. Communist success in these efforts would expose the remainder of Southeast Asia to attack and would sharply increase the threat to Japan and the remainder of the off-shore island chain. Such prospects lend greater effectiveness to the ordinary communist techniques of penetration and subversion and cause many Asians to remain on the side lines during the present phase of the struggle.

(2) The effect upon the Chinese themselves and upon Asians generally of the prestige won by the Chinese Communists through their successful conquest of China must not be overlooked. Efforts by India and other Asian nations to rationalize the communist revolution in China as a basically nationalist movement, and to establish friendly relations with the Peiping regime, probably stems in some degree from a basic admiration for the achievement of power by a regime which is Asian, revolutionary, and antagonistic to the West.

(3) The significant Chinese minority groups in various countries of Asia can be used as instruments of communist policy because of their ties with the mainland, susceptibility to pressure, and natural tendency to support elements in China who have won power.

c. Lack of unity among the principal non-communist nations with respect to Asian problems.

(1) United States policy in Asia is frequently handicapped through lack of unity among important friendly nations who are basically anti-communist but who differ with the United States and among themselves in their estimates of the strategy to be pursued because of conflicting interests. Divergencies have recently arisen on certain Far Eastern issues with, for example, the United Kingdom, Canada, and India. Regrettably these differences are not easily responsive to compromise since they represent divergencies of national interest and public opinion difficult to remove.

(2) The national interest of the United Kingdom dictates a different attitude with respect to the relative importance of Europe and Asia. At the same time both the United Kingdom and India have acted toward China and Formosa on the basis of an interpretation of events in China and a strategic estimate of the situation differing from those of the United States.

d. Lack of unity among non-communist Asian nations.

(1) Antipathies in Asia, arising from the variety of cultures, languages and religions, mean that there is no firm base for regional action or cooperation. The abortive efforts of Nehru, Chiang Kai-shek and Quirino to form regional associations attest to this difficulty. Mutual bitterness created in India and Pakistan by the partition of British India constitutes a major deterrent to South Asian regional cooperation.

(2) This lack of affinity among Asian nations means that our policies and programs must be devised and adapted to the situation prevailing in each country but does not mean that we should

cease to strive for closer cooperation among the Asian states, particularly for security purposes. For example, our efforts to bring about settlement of Indo-Pakistan disputes, particularly the Kashmir controversy,¹⁶ should be given as much weight as our efforts to win India and Pakistan as allies. With the possible exception of a crisis created by a communist invasion of South Asia, we cannot expect India and Pakistan to cooperate politically or militarily until major outstanding disputes are resolved.

e. Lack of support from non-communist countries of Asia.

(1) The peoples of Asia will be greatly influenced by their judgment as to the probable outcome of the struggle between the Moscow-Peiping axis and the free world. They will be reluctant to commit themselves to take sides in a general war and, more particularly, to align themselves in advance with a probable loser. Hence, any impression that the free world neither can nor will meet the threat of communist aggression against the countries of Asia, by force if necessary, will undermine effective resistance to communist aggression on the part of indigenous peoples.

(2) The effect of the Korean struggle upon the military and political prestige of the participants is of the greatest importance to the course of events in other parts of Asia.

(3) The general lack of confidence in government, deficiencies in military capabilities, and the absence of a sense of the necessity and urgency for building the defenses of their own countries is a weakness in Asia and should elicit our efforts to instill this sense and to stimulate action by the countries themselves.

f. Asian resentments and suspicions toward the West.

(1) We should not over-estimate the reservoir of good-will toward the United States in Asia. Communism has appeared in Asia in the form of Asians preaching nationalism and promising Utopia to the poverty-stricken masses. Democracy has too often been associated with the privileged white man and the memories of colonial exploitation. Communism has succeeded in exploiting the two great revolutionary movements which have dominated the recent history of Asia—the national revolution against western imperialism and the social revolution against the poverty and distress of the people.

(2) Despite the skill of communist propaganda, however, the indigenous institutions of Asia have been surprisingly resistant to communism and have thus far limited the spread of communist control to those areas in which the communist revolution could be supported by strong communist armies. This resistance to communism must not be confused with pro-Americanism. The United States faces a formidable political and propaganda task in establishing relations with Asia on a basis of mutual confidence and common interest, and in influencing the intense nationalism to take a direction harmonious with the interests of the free world.

(3) Indian Government policy, probably encouraged to some extent by the United Kingdom, has recently opposed United

¹⁶ For documentation on the Kashmir controversy, see pp. 1699 ff.

States efforts to support the principle of collective action against the Chinese Communists. It is not likely that Nehru will be persuaded at any time in the near future to agree that Chinese Communist aggression in North Korea is wholly unjustified, or that Formosa should not be turned over to the Chinese Communists. Press attitudes in South Asia—particularly in India and Pakistan—are hostile to United States policy toward Communist China and most politically-conscious South Asians appear to believe the United Nations resolution naming Communist China an aggressor passed only as a result of bludgeoning tactics by the United States. Most politically-conscious South Asians are probably afraid of the USSR and Communist China and are not likely to consider overt political or military action against either until such time as South Asia may be actually invaded.

g. Weakness in the leadership and political structure of non-communist Asian countries.

(1) The new and heavy responsibilities of national independence, the surge of great revolutionary forces, the lack of educators, educational facilities, trained administrators and technicians both in government and in economic life, and the serious economic dislocations resulting from the war and from changing production and trade patterns have made impossible demands upon Asian leadership.

(2) This structural weakness is common to the entire area and may be expected to persist for a long period. The United States should give the most thorough consideration to means to encourage the development of competent leadership and to stimulate its rise in the countries of Asia.

(3) In India, the keystone to stability in South Asia, and in the other countries of the area, every effort must be made to help stabilize conditions and keep in power the present governments which, generally speaking, are the strongest non-communist governments in continental Asia. Alternatives in India or Pakistan would be anarchy, governments of the extreme Right, or governments of the extreme Left.

h. Delay in the achievement of the security of Japan.

(1) The policies of the Soviet Government have delayed a peace settlement which would have restored Japan to an independent status and have made it necessary to provide military defenses for Japan. Until the security of Japan can be achieved, the threat of communist invasion will remain.

(2) The reluctance of other nations, particularly Australia and the Philippines, to agree to the development of military strength in Japan is a factor which the United States must consider and overcome.

i. Problem of American personnel in Asia.

(1) The formulation and execution of programs designed to support objectives of the United States in Asia are handicapped by the lack of qualified and experienced personnel available to live and work in Asian countries.

(2) In providing personnel to Asian nations, it is necessary to exercise utmost care in selecting individuals not only technically qualified but of a temperament suitable for life in Asia and creditable to the United States Government. Our aim must constantly be one of furnishing the necessary personnel for the particular needs of the individual country and at the same time avoiding the impression that the United States endeavors to "colonize" or "Americanize" those countries to which aid is being given.

9. The principal elements in Asia which support or facilitate the achievement of United States objectives and which to a greater or less extent offset the above obstacles, are:

a. The basic interests of the non-communist nations.

(1) The leading groups and the peoples of the non-communist nations are striving to promote the goals of the two great revolutionary movements of Asia-national independence and economic betterment. Their objectives are sovereignty, stability, rising living standards, land reforms, military strength, and peaceful friendly international relations. Their goals and objectives match the objectives and the policies of the United States.

(2) The historic friendship of the United States for the peoples of Asia, our support for their independence, and our contribution to their economic betterment have encouraged a degree of confidence in our motives and intentions. Therefore, although the policies of these governments may diverge from ours, they may fail to understand the nature of the forces which threaten them, and may oppose our actions at a given time, we should not lose sight of our basic credit in Asia.

b. Asian fear and suspicion of the Chinese.

(1) As long as China was divided by civil war the non-Chinese peoples of Asia showed little concern over China. The rise of a militant armed China under Communist leadership poses the threat of Chinese imperialism, intensifies antipathies between Chinese and non-Chinese communities in Southeast Asia, including the Philippines and Indonesia, and menaces the newly won independence of the non-communist nations.

(2) This new menace might eventually stimulate active cooperation among the Asian nations to resist the Chinese Communists. Such cooperation would constitute a third factor, in addition to the movements for national independence and economic betterment which motivate the nations of the Far East. Such a third factor would be to our interest if it rallied the nations of Asia closer together for mutual security, contributed to a firmer base for regional action and cooperation, and eventually developed an impact upon China itself. The probability for the development of the potentials of such a third factor probably would be in direct ratio to the strength shown in Asia by the Anglo-Franco-American resistance to aggression in that area.

(3) While most politically-conscious South Asians appear to oppose our policy toward USSR and Communist China, there is reason to believe that many of them in responsible positions

recognize the dangers of Sino-Soviet aggression and would not hesitate to fight in the event of a communist invasion. Nehru has stated publicly that his government would not tolerate an invasion of Nepal and there are indications that Indian defenses are being strengthened on the Indo-Burmese border.

c. Internal conflicts in Communist China.

(1) The imposition of Communist totalitarian control upon China produces a situation alien to Chinese traditions, inimical to Chinese interests and contrary to Chinese characteristics. The extent to which the internal conflicts in this situation will affect acceptability of the regime in China to the Chinese people will be determined in large measure by its ability to improve economic conditions, provide well-functioning government, that is, satisfy in general the economic and political desires of the population. The Communist regime can be expected to make the fullest use of both propaganda and police force to achieve its ends.

(2) Conflicts arise between the regime and the Soviet Government, between the regime and the people, between the regime and local governments, between local governments, and within the regime itself. Factors likely to alienate support from the regime in China include the harsh controls of a police state, its lack of respect for individual and family rights, the forsaking of domestic reform and reconstruction for the militarization of Chinese society and costly military venture abroad in the face of a universal desire for peace and work rather than war and conscription, and basically, the responsibility of the regime for solving China's historic economic dilemmas. Failure of the regime to provide concrete satisfaction for the traditional Chinese discontents would contribute substantially to a basic instability of the regime.

(3) It is difficult to measure the degree of hostility in China to the regime; it is undoubtedly widespread and exploitable. However, its exploitability is affected by numerous factors and changes with events and circumstances. For example, failure to expel UN forces from Korea in spite of huge losses increases the opportunity for conflicts to be intensified. On the other hand, successful engagement in military adventures elsewhere with increased support from the Soviet Union would tend to mitigate the conflicts, accompanied as it would be by further tightening of controls and rigidity of the power of the ruling clique.

(4) The possibility of cleavages within the Chinese Politburo must not be overlooked. While it seems apparent that the present Peiping Government is controlled by Stalinists whose alliance to Moscow is complete, it is reasonable to suppose that individuals or groups may exist within the Chinese Communist party who are aware of and reluctant to accept the implications for the future historic role of China of an unswerving adherence to a policy of abject subservience to Moscow.

(5) While it would be unwise to expect or to predicate policy upon a change within the Peiping regime, the potential rifts must be calculated and maximum advantage taken of conditions and situations of tension which might favor a clash within the regime or the coming into power of a group, which, even though still Communist, might follow a course less advantageous to the aims

of world communism and therefore more favorable to the interests of the United States. Those rifts again would be fostered by failures met in China's adventures outside its frontiers.

d. Historic Russian-Chinese conflict.

(1) For over a century the Chinese have contended with active Russian encroachments on the sovereignty and the interests of China, far more frequently than with any other single nation. Russian expansion into China has been persistent; Russian claims against China's boundaries and possessions perpetual. The historic conflict today could again flare out over Soviet encroachments in Sinkiang, Inner Mongolia, Tibet, and Manchuria, rivalry over the controlling influence in Korea, disputes over courses of action in Japan, Southeast Asia, and India, and finally, Chinese rebellion against excessive Soviet control of internal Chinese affairs. At the same time the Kremlin may entertain apprehensions that Chinese expansion in Asia might in the long-run threaten the security of Russia.

e. Geographic and material assets.

(1) The United States has greater and more flexible access to the Far East than does the Soviet Union. The Soviet Far East is dependent on the Transiberian railroad for logistic support and has no ready access to any countries other than China. Control by the United States of the sea and air approaches to the Asian littoral provides unlimited lines of communication.

(2) Nearly one-third of the population of the Far East inhabits insular areas with resulting advantages in defense. This third, which combines the workshop of Japan with the raw materials of the great off-shore islands of the South Pacific could be built into a powerful system.

(3) Japan's population, industrial capacity, geographical position, and relationship to the United States resulting from the Occupation, make it an important asset to the free world.

POLICY GUIDE LINES FOR UNITED STATES ACTION

10. In view of the threat to United States security interests resulting from communist aggression in Asia, it should be the policy of the United States to:

a. Detach China as an effective ally of the USSR and support the development of an independent China which has renounced aggression.

b. Maintain the security of the off-shore defense line: Japan-Ryukyus-Philippines-Australia and New Zealand. Deny Formosa to any Chinese regime aligned with or dominated by the USSR and expedite the strengthening of the defensive capabilities of Formosa. Attempt by all practicable means to forestall communist aggression in South and Southeast Asia.

c. Assist Japan to become a self-reliant nation friendly to the United States, capable of maintaining internal security and defense against external aggression and contributing to the security and stability of the Far East.

d. Promote the development of effective security and economic relationships among the free nations of Asia and the Pacific area, including the United States, on the basis of self-help and mutual aid, with appropriate United States assistance.

e. Continue as an ultimate objective to seek by political, as distinguished from military means, a solution of the Korean problem which would provide for a united, independent and democratic Korea. Seek, through appropriate UN machinery, as a current objective a settlement acceptable to the United States, of the Korean conflict which would, as a minimum (1) terminate hostilities under appropriate armistice arrangements; (2) establish the authority of the Republic of Korea over all Korea south of a northern boundary so located as to facilitate, to the maximum extent possible, both administration and military defense, and in no case south of the 38th Parallel; (3) provide for the withdrawal by appropriate stages of non-Korean armed forces from Korea; (4) permit the building of sufficient ROK military power to deter or repel a renewed North Korean aggression. Until the above current objective is attainable, continue to oppose and penalize the aggressor.

f. Consistent with *e* above and the protection of the security of U.S. and UN forces, seek to avoid the extension of hostilities in Korea into a general war with the Soviet Union, and seek to avoid the extension beyond Korea of hostilities with Communist China, particularly without the support of our major allies.

g. Assist the countries of South and Southeast Asia to develop the will and ability to resist communism from within and without, and to contribute to the strengthening of the free world.

h. In accordance with 2-*d* above, take such current and continuing action as may be practicable to maximize the availability, through mutually advantageous arrangements, of the material resources of the Asian area to the United States and the free world generally, and thereby correspondingly deny these resources to the communist world.

PRINCIPAL COURSES OF ACTION

11. There are set forth below analyses of the principal courses of action which the United States should follow in order to move toward its objectives in Asia. These are necessarily expressed in outline form and reflect much that is already under way. Obviously, the fluidity of the current situation with respect to Asia dictates continuous scrutiny and consideration of possible courses of action.

The Problem of Communist China

12. The belligerent activities of the present Soviet-supported regime in Peiping confront the United States with its fundamental policy problem in Asia. Communist control of mainland China and Peiping's close alliance with the USSR are altering the global balance of power to the great disadvantage of the United States and its allies. The extension of consolidation of Sino-Soviet power in Asia could critically endanger United States security interests, if it runs its full course without hindrance.

13. The Chinese Communists seek to enhance the joint power position of the USSR and China and to establish Chinese Communist hegemony over Asia. Aided and abetted by the Soviet Union, the Chinese Communists aim at eliminating Western influence and power from the whole Far East, particularly from Japan, the principal off-shore islands, and Southeast Asia. The present regime in Peiping now is firmly allied and is cooperating closely with the USSR. The development of a military and political axis between Peiping and Moscow is being rapidly promoted under the terms of the Sino-Soviet Alliance of 1950 which is being implemented through a Soviet program of increasing economic, and particularly, military assistance to Communist China, and through an expanding network of Soviet advisors in Chinese Communist military, economic and political organizations. In line with its over-all policy of developing the maximum strength of its satellites, there is strong reason to believe that the USSR is now attempting to establish a well-equipped and well-trained modern Chinese Communist Army, Air Force and Navy.

14. Profound changes are taking place within China. The Chinese Communists have temporarily abandoned their reconstruction plans which were their primary objectives in early 1950. The Peiping regime has adopted, and is ruthlessly putting into effect, measures placing China on a complete war footing. The militarization of China includes repressive secret police controls, violent anti-U.S. and anti-foreign propaganda, transfers and decentralization of industry, widespread air raid and defense precautions, enrollment of university and middle school students in newly-organized military training establishments, rapid construction of air fields throughout China capable of handling jet planes, and the increasing size of Chinese Communist military, naval and air forces.

15. The following actual or potential contradictions in conditions on the mainland could facilitate United States efforts to bring about an independent China :

a. Widespread and growing popular dissatisfaction over declining standards of living, violent and repressive political controls, casualties in Korea, and arbitrary dependence on the USSR.

b. The consequences of the Korean military campaign for the Peiping regime, including the great burden of military expenditures and increasing shortages of essential raw materials, the loss of valuable trained manpower and matériel, and weakened capability for maintaining internal control.

c. Increasing tensions between the Chinese Communists and the Soviet regime regarding expanding Soviet control in China, possible failure of the Soviet Union to intervene more directly in Korea or fulfill Peiping's military assistance requirements, and competition over Communist leadership in Japan and Southeast Asia.

16. In view of the above factors, it is the primary objective of the United States in Asia to sever or weaken the alliance between Moscow and Peiping. This objective would be served if any of the following took place:

- a.* Replacement of the present Peiping regime.
- b.* Change in the character and policies of the Peiping regime from alliance with Moscow to a position of neutrality or a "leaning toward" the free world.
- c.* A political fragmentation of China resulting in the emergence of local regimes pursuing policies at variance with those of the central government.

17. The above objectives might be sought through an effort to destroy and disrupt China's economic, transportation and communications facilities by naval and air action and a naval blockade. However, the launching of hostilities against Communist China under present conditions does not appear desirable or feasible for the following reasons:

- a.* In North Asia, military actions against China might precipitate Soviet military operations against us in Japan and Korea, in view of the terms of the Sino-Soviet Alliance of 1950.
- b.* Within China, United States air and naval actions might result in driving the Chinese people closer to the Peiping regime and solidifying the Moscow-Peiping alliance beyond any hope of modification in our favor.
- c.* In Asia and the world at large, unilateral United States hostilities against Communist China itself would dissolve any possibility of developing unity of action on critical problems of the Far East, complicate our NATO and Commonwealth relations, and leave us isolated in the Far East.
- d.* The diversion of available United States air and naval strength into an operation against the China mainland, which could hardly develop otherwise than into a major action, might create such imbalance in our military deployment as to facilitate Soviet aggressive action in some other vital section of the world arena, and particularly in Europe.

18. Bearing in mind that rapidly shifting conditions in China and the Far East make it difficult to determine in advance the one course of action most likely to move us closer to our objectives, and, while continuing to recognize the National Government as the legal government of China, the United States, with respect to Communist China, should now:

- a.* Continue strong efforts to deflate Chinese Communist political and military strength and prestige by inflicting heavy losses on Chinese forces in Korea through the present UN operation.
- b.* Expand and intensify, by all available means, efforts to develop non-communist leadership and to influence the leaders and people

in China to oppose the present Peiping regime and to seek its re-orientation or replacement.

c. Foster and support anti-communist Chinese elements both outside and within China with a view to developing and expanding resistance in China to the Peiping regime's control, particularly in South China.

d. Stimulate differences between Peiping and Moscow and create cleavages within the Peiping regime itself by every practicable means.

e. Continue United States economic restrictions against China, continue to oppose seating Communist China in the UN, intensify efforts to persuade other nations to adopt similar positions, and foster the imposition of United Nations political and economic sanctions as related to developments in Korea.

f. In order to be prepared for Chinese aggression outside Korea, to protect the security of UN and U.S. forces, and to provide for appropriate military action in the event that UN forces are forced to evacuate Korea, expedite the development of plans for the following courses of action, if such action should later be deemed necessary:

(1) Imposing a blockade of the China coast by naval and air forces.

(2) Military action against selected targets held by Communist China outside of Korea.

(3) Participation defensively or offensively of the Chinese Nationalist forces, and the necessary operational assistance to make them effective.

g. Continue as a matter of urgency to influence our allies to stand with us and fully support the taking of such actions as those indicated in *f* above if military operations outside Korea should be required.

19. In carrying out its policies on China the United States should seek to develop the largest possible measure of support from the Asian peoples and nations.

Settlement of the Korean Problem

20. The United States has consistently sought as an ultimate political objective the establishment of a unified independent and democratic Korea. Since the North Korean invasion, the military objective of the United States in the United Nations has been to repel the aggression and to establish international peace and security in the area. The intervention of the Chinese Communist forces in Korea has so changed the situation that it appears militarily impossible now to bring about a situation under which a unified, non-communist Korea could be achieved by political means. Therefore, while in no way renouncing the ultimate political objective which we hold for Korea, the present task should be to bring about a settlement of the Korean problem which at the minimum will deny to Communist control that part of Korea south of the 38th parallel and will provide for the phased withdrawal from Korea of non-Korean forces as militarily practical.

21. Because it appears likely that both the United Nations and the communist forces will be able to maintain military positions in

parts of Korea, the Korean situation could develop in one of the following ways:

a. Chinese Communist agreement to cessation of hostilities and a political settlement of the Korean problem.

b. A political and military stalemate during which the Chinese Communists neither offer nor accept any suggestions for settlement.

c. A northward movement of the United Nations forces.

d. A massive Communist drive, possibly supported by Soviet or satellite "volunteer" air and naval activities.

22. In view of the above possibilities the following considerations are pertinent: (*a*) the United Nations should not accept a settlement which leaves any part of South Korea in the hands of the aggressor; (*b*) United Nations forces may be able to expel the aggressor from South Korea; (*c*) United Nations forces can continue to inflict heavy losses on the Chinese; (*d*) a settlement will permit the withdrawal of Chinese forces from Korea for use elsewhere and will put an end to Chinese losses in Korea; (*e*) a majority of the United Nations presently opposes another major crossing of the 38th parallel; and (*f*) it is important to maintain the maximum amount of unity within the United Nations regarding Korea. Unless the USSR provides greatly increased military support to the Communist forces in Korea for a massive drive south, it is conceivable that a cessation of hostilities and a political *modus vivendi* can be achieved. Such a *modus vivendi* would permit the withdrawal of non-Korean forces from Korea.

23. With respect to the situation in Korea, the United States should:

a. Seek an acceptable political settlement in Korea that does not jeopardize the U.S. position with respect to the USSR, to Formosa, or to seating Communist China in the UN.

b. In the absence of such a settlement, and recognizing that currently there is no other acceptable alternative, continue the current military course of action in Korea, without commitment to unify Korea by military force, but designed to:

(1) Inflict maximum losses on the enemy.

(2) Prevent the overrunning of South Korea by military aggression.

(3) Limit communist capabilities for aggression elsewhere in Asia.

c. Continue its efforts to influence our allies to increase their support of and contribution to the UN operations in Korea.

d. Develop dependable South Korean military units as rapidly as possible and in sufficient strength eventually to assume the major part of the burden of the UN forces there.

e. If the USSR commits units of Soviet "volunteers" sufficient to jeopardize the safety of UN forces in Korea, give immediate consideration to withdrawing UN forces from Korea and placing the United States in the best possible position of readiness for general war.

f. If the USSR precipitates a general war, withdraw UN forces

from Korea as rapidly as possible and deploy United States forces for service elsewhere.

g. Working in and through the organs of the United Nations where feasible, continue to strengthen the government and democratic institutions of the Republic of Korea, and continue to contribute to the United Nations efforts for economic recovery and rehabilitation in the Republic of Korea and in areas of Korea liberated from communist control.

24. The United States should give special attention at all stages of the settlement of the Korean problem to the development of a strong ROK military establishment for continuation of the struggle against Communist forces (in case of a stalemate), and for the organization of a strong barrier to defend the ROK against future aggression. Particular emphasis should be placed on training capable Korean officers. Essential parts of the program to develop military stability are the restoration of the authority of the Republic of Korea in the area south of the demarcation line, and such economic and technical assistance, consistent with the absorptive capacity of the Korean economy, as will develop stability by the time United Nations forces are withdrawn from the peninsula. It is probable that the ROK will require the provision of air and naval assistance after withdrawal of U.S. and U.N. forces.

The Security and Stability of Japan

25. The power vacuum left by the defeat of Japan is of vital concern to the United States. The Kremlin might attempt to secure control of Japan, and thereby fill the vacuum, by an open attack or by the slower, indirect methods of subversion and infiltration. So long as American troops are stationed in Japan, an attack by the USSR would bring a clash with United States forces and undoubtedly war between the Soviet Union and the United States. Therefore, unless the Kremlin has determined to embark upon World War III, in which case an attack on Japan would be but part of a global strategy, Soviet policy toward Japan will likely be directed toward fostering and exploiting the political and military weaknesses of the country which could be expected to prevail following the end of occupation.

26. In view of the above, the maximum deterrent to the Kremlin in the post-treaty period will be a Japan with a rapidly and soundly developing economy, internal political stability, and an adequate military capability for self-defense.

27. The policies of the United States should be formulated to bring about the situation of strength in Japan described above. Of all Far Eastern nations, Japan possesses the most advanced industry, greatest reservoir of technical and commercial experience, and the most energetic and industrious population. Control of the occupation of Japan has given the United States a unique opportunity to direct the re-

sources of Japan toward the creation of a position of strength among the non-communist nations of Asia.

28. The courses of action to be followed toward Japan both now and in the post-treaty period should aim to:

- a. Preserve to a maximum degree the positive accomplishments of the occupation.
- b. Assist Japan to develop internal political immunity to Communism.
- c. Assist Japan to develop a sound economy.
- d. Speed the building of military defenses.
- e. Establish long-term relationships between the United States and Japan which will contribute to the security of the United States.
- f. Bring Japan into a multilateral security arrangement as soon as Japan becomes able to fulfill the obligations which such an arrangement would entail.

29. With respect to Japan, the United States should:

a. Proceed urgently to conclude a peace settlement with Japan on the basis of the position already determined by the President, through urgent efforts to obtain agreement to this position by as many nations which participated in the war with Japan as possible.

b. Proceed urgently with the negotiation of bilateral security arrangements with Japan on the basis of the position determined by the President to be concluded simultaneously with a peace treaty.

c. Assist Japan to become economically self-supporting and to produce goods and services important to the United States and to the economic stability of the non-communist area of Asia.

d. Pending the conclusion of a peace settlement continue to:

(1) Take such steps as will facilitate transition from occupation status to restoration of sovereignty.

(2) Assist Japan in organizing, training, and equipping the National Police Reserve and the Maritime Safety Patrol in order to facilitate the formation of an effective military establishment.

e. Following the conclusion of a peace settlement:

(1) Assist Japan in the development of appropriate military forces.

(2) Assist Japan in the production of low-cost military matériel in volume for use in Japan and in other non-communist countries of Asia.

(3) Take all practicable steps to achieve Japanese membership in the United Nations and participation in a regional security arrangement.

(4) Establish appropriate psychological programs designed to further orient the Japanese toward the free world and away from communism.

The Problem of Formosa

30. Possession of Formosa by a regime in alliance with or subservient to the Kremlin would endanger the off-shore defense line, Japan-Ryukyus-Philippines-Australia and New Zealand. The man-

power and military and economic resources of the island are a potential asset to the free world in the event of general hostilities in the Far East. At the same time, the inheritance of military supplies of United States origin by Communist conquerors of Formosa would increase the threat to our Pacific position.

31. From a military standpoint, United States naval and air forces available for the defense of Formosa are considered adequate to insure the failure of an attack on the island in circumstances short of general war. However, without the participation of United States naval and air forces, the manpower, military and economic resources of the island are not now adequate for mounting a successful military invasion of the mainland and might not even be adequate for the defense of the island itself. Furthermore, antipathies between Formosa's indigenous population and the Chinese Nationalist regime and the inadequacies of military and political leadership necessarily reduce the capabilities for defense, not to mention offense. An analysis of the military effectiveness of the possible use of Chinese forces on Formosa against the mainland of China is contained in a recent study by the Joint Chiefs of Staff.[†]

32. International support for the denial of Formosa to the Peiping regime is seriously complicated by the fact that Formosa is the seat of the Chinese Nationalist Government. Governments who might otherwise support the denial of Formosa to Communist China for security reasons recoil from involvement of themselves or of the United States in the struggle between Peiping and Taipei for the control of China proper.

33. The United States faces in the Formosa problem the dilemma of simultaneously attempting to preserve the island from communist control and to win support from the Chinese people, friendly non-communist governments, and non-communist Asians. It appears likely that support will materialize only if changes occur in the regimes in control at Peiping or Taipei or further aggression is committed by Communist China.

34. Ethnic and historical factors as well as international commitments, particularly the Cairo and Potsdam declarations,¹⁷ support the proposition that Formosa should be part of China. Consequently, although the United States is prepared to consider all factors relating to the eventual disposition of the island, the problem of Formosa can-

[†]Circulated by memorandum for the NSC from the Executive Secretary, subject "United States Action To Counter Chinese Communist Aggression," dated March 21, 1951. [Footnote in the source text.]

¹⁷For the text of the Cairo Declaration, released by the White House on December 1, 1943, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, p. 448, or Department of State *Bulletin*, December 4, 1943, p. 393. For the text of the Potsdam Declaration, July 26, 1945, see *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, p. 1474, or Department of State *Bulletin*, July 29, 1945, p. 137.

not be separated from that of China. However, the United States did not contemplate at Cairo that Formosa would be turned over to a Chinese regime hostile to the United States nor, more particularly, that Formosa would be handed over to the Soviet Union by way of a Chinese satellite regime.

35. The interests of the United States would be served by the emergence of a non-communist government controlling both China and Formosa. Such changes in China as suggested in paragraph 16 above would provide a step toward this goal, as would be a political change in Formosa resulting in a regime with increased influence and appeal on the mainland. Mainland developments should be viewed as intrinsically separate in major degree from developments on Formosa, and American support accordingly should be given independently to mainland subversive movements with the problem of ultimate location of leadership of a resistance movement left to the ultimate decision of the Chinese themselves.

36. In order to prevent the capture of Formosa by communist forces and at the same time to develop optimum conditions for a solution of the Formosa problem, the United States should:

a. Continue, as long as required by United States security interests, the mission presently assigned to the 7th Fleet.

b. Encourage political changes in the Nationalist regime which would increase its prestige and influence in China proper.

c. Provide military and economic assistance to increase the potential of the Chinese forces on Formosa for the defense of Formosa and for such other uses as may be determined as a result of the planning pursuant to paragraph 18*b* above.

Security and Stability of the Philippines

37. The United States desires in the Philippines an effective government, a stable and self-supporting economy and a Philippine military establishment capable of restoring and maintaining internal security. The immediate problem in the Philippines is to eliminate the Huk problem, strengthen internal resistance to communism, increase security against external danger and develop the Philippines as a strong and reliable ally of the United States.

38. It is recognized that the United States must continue for an indefinite period to assume responsibility for the external defense of the islands, to provide military and economic assistance, to take appropriate measures to assure the institution of necessary political, financial, economic and agricultural reforms, and in general to participate in the defense and administration of the country. Such continued participation in the affairs of an independent country has its undesirable aspects but in the context of the present world situation there is no acceptable alternative.

39. Since our ultimate goal should be to establish a Philippine Government and economy without need of American participation, United States programs in the Philippines should be designed to encourage the rapid development of Philippine initiative, leadership, and ability to function independently of outside assistance.

40. In order to achieve the immediate objectives enumerated in paragraph 37 above, endeavoring at the same time to progress toward the ultimate goal described in paragraph 39, the United States should as called for in NSC 84/2:

a. Use all appropriate measures to assure that the Philippine Government effects political, financial, economic and agricultural reforms in order to improve the stability of the country.

b. Provide such military guidance and assistance as may be deemed advisable by the United States and acceptable to the Philippine Government.

c. Extend, under United States supervision and control, appropriate economic assistance in the degree corresponding to progress made toward creating the essential conditions of internal stability.

d. Continue to assume responsibility for the external defense of the Islands and be prepared to commit United States forces, if necessary, to prevent communist control of the Philippines.

Strengthening of Southeast Asia

41. It is important to the United States that the mainland states of Southeast Asia remain under non-communist control and continue to improve their internal conditions. These states are valuable to the free world because of their strategic position, abundant natural resources, including strategic materials in short supply in the United States, and their large population. Moreover, these states, if adequately developed and organized, could serve to protect and contribute to the economic progress and military defense of the Pacific off-shore islands from Japan to New Zealand. Communist control of both China and Southeast Asia would place Japan in a dangerously vulnerable position and therefore seriously affect the entire security position of the United States in the Pacific. The fall of the mainland states would result in changing the status of the off-shore island chain from supporting bases to front line positions. Further, it would tend to isolate these base areas from each other, requiring a review of our entire strategic deployment of forces. Communist domination of the area would alleviate considerably the food problem of China and make available to the USSR considerable quantities of strategically important materials.

42. In the absence of overt Chinese Communist aggression in Southeast Asia, the general problems facing the United States in this area are: the real threat of Chinese Communist invasion and subversion, the political instability and weak leadership of the non-communist

governments, the low standards of living and underdeveloped resources of the peoples of the area, the prevailing prejudice against colonialism and Western "interference" and the insensitivity to the danger of communist imperialism. Further acts of communist aggression in Southeast Asia can be expected to stimulate resistance on the part of countries which have thus far failed to take a positive stand.

43. Therefore, the general objectives of the United States in Southeast Asia are: (a) to contribute to the will and ability of all countries in the region to resist communism from within and without, and (b) to aid in the political, economic and social advancement of the area. For this purpose, the United States has developed support programs to strengthen the governments' administrative and military capabilities, to improve living standards, to encourage pro-Western alignments, and to stave off communist intervention.

44. Chinese Communist conquest of Indochina, Thailand and Burma, by military force and internal subversion, would seriously threaten the critical security interests of the United States. However, in the event of overt Chinese aggression, it is not now in the over-all security interests of the United States to commit any United States armed forces to the defense of the mainland states of Southeast Asia. Therefore, the United States cannot guarantee the denial of Southeast Asia to communism. The United States should continue its present support programs to strengthen the will and ability to resist the Chinese Communists, to render Communist military operations as costly as possible, and to gain time for the United States and its allies to build up the defenses of the off-shore chain and weaken communist power at its source.

45. The United States should develop its support programs in such form and in such manner in each country as will effectively stimulate the use of its resources to the advantage of the free world, contribute to the development of sound economies and adequate military establishments, and take into account the ability of each country to absorb and its willingness to put to effective use American aid. In any instance where a government friendly to the United States is conducting actual resistance to internal subversive forces or overt aggression, the United States should favorably consider contributions to the ability of such a government to continue resistance.

46. The general security problems of Southeast Asia are the subject of military staff conversations among the United States, the United Kingdom and France.

47. Programs of information and educational exchange should be continued in the countries of Southeast Asia and should be designed to develop on the part of the governments and peoples of the area, realization, and action in accordance therewith, of the vital objectives

which they share with the United States and of the ways in which the achievement of these objectives are threatened by the aggressive purposes of Soviet Communism.

48. At the present time, the United States faces the following major problems in Southeast Asia:

a. Defense of Indochina. The loss of Indochina to communist control would greatly increase the threat to the other mainland states of Southeast Asia and to Indonesia. The Viet Minh with the aid of strong Chinese Communist military intervention can conquer Indochina. Therefore, the forces opposing the Viet Minh must rapidly increase their military strength. Increased anti-communist manpower must come from the Associated States, principally Vietnam.

b. Chinese Imperialism. The United States should expand and intensify the psychological warfare effort to increase an awareness in the area of the threat which Soviet and Chinese imperialism poses to the national independence, economic betterment and traditional ideals of each country in the region. The United States should seek to reduce the ties between the Chinese communities in Southeast Asia and the Peiping regime, to neutralize the pro-communist support among these communities, and to endeavor to direct the political power and economic wealth of the Chinese communities toward the support of the countries which they are resident.

c. The Role of Singapore and Malaya in the Defense of Southeast Asia. The location of the Malayan Peninsula makes it of great importance to Indonesia and Australia and New Zealand in the event Indochina and Thailand fall to the communists. Although the defense and internal security of Singapore and Malaya are British responsibilities, the Peninsula cannot be defended against an invasion from the north without outside support. Accordingly, the United States should coordinate its operational planning with the United Kingdom with respect to Malaya and adjacent areas.

d. The Alignment of Indonesia. Indonesia's strategic position, economic wealth including oil reserves, and political importance as an independent, non-communist nation are assets to the security of the United States in the Pacific. Consequently, the policies and actions of the United States must be directed to strengthening and maintaining the non-communist political orientation of the government and to promoting economic health and development. At present the Indonesian Government is pursuing a policy of political neutrality. The United States must endeavor to influence Indonesia toward greater participation in measures which promote the security of the area and toward solidarity with the free world. Among the factors which affect United States aid to Indonesia are (1) the results to be achieved in terms of United States national interests, (2) the attitude of the Indonesian government, (3) the needs of Indonesia, and (4) the ability to use aid profitably. The United States should give particular attention to the problem of technical assistance, in view of the serious lack of leadership and trained personnel in the country.

49. With respect to Southeast Asia, the United States should:

a. Continue its present support programs to strengthen the will and ability to resist communist encroachment, to render communist

military operations as costly as possible, and to gain time for the United States and its allies to build up the defense of the off-shore chain.

b. Continue programs of information and educational exchange in the countries of Southeast Asia.

c. Encourage the countries of Southeast Asia to restore and expand their commerce with each other and the rest of the free world, stimulate the flow of the raw material resources of the area to the free world, and assist in establishing small arms production in appropriate locations in Southeast Asia under suitable controls.

d. In Indochina:

(1) Continue to increase the military effectiveness of French units and the size and equipment of indigenous units by providing timely and suitable military assistance without relieving the French authorities of their basic military responsibilities or committing United States armed forces.

(2) Continue to encourage internal autonomy and progressive social and economic reforms.

(3) Continue to promote international support for the three Associated States.

e. In Indonesia, the United States should seek to strengthen the non-communist political orientation of the government, promote the economic development of Indonesia, and influence Indonesia toward greater participation in measures which support the security of the area and Indonesian solidarity with the free world.

Security and Stability of South Asia

50. South Asia, containing nearly half a billion people and important strategic materials, including manganese and mica, is the only subdivision of Asia which is not presently under communist domination or direct threat of communist control. Subversion or conquest of South Asia by Communist China and/or the USSR would provide the Soviet Union and its satellites with vastly increased manpower, natural resources, and strategic bases, and would deny the non-communist powers potential sources of manpower, actual sources of strategic materials, and strategic bases. The loss of South Asia to the Communist orbit would for all practical purposes mean the loss of all continental Asia.

51. United States objectives with respect to South Asia are to improve the security position of the United States by contributing to the stability of the independent and non-communist governments now in authority, and by influencing these governments to provide active support for the UN campaign in Korea and for United States policies regarding Communist China. Furthermore, the United States should influence these governments in the direction of benevolent neutrality or active support of the non-communist powers in the event of a global war. To attain these ends the United States should:

a. Continue to encourage South Asian participation in and responsibility for solutions of international problems pertaining to Asia, with a view to convincing South Asians that Western Powers are not determined to dominate Asia.

b. Develop attitudes in South Asia which would assist the United States and its allies to obtain facilities which would prevent the USSR from obtaining assistance of any sort from these countries.

c. Create conditions which would lead South Asian countries to deny their resources to the Soviet bloc and make them available to the United States and the free world.

52. While continuing talks with the British regarding increased coordination of US-UK policies in South Asia, the United States should, in accordance with the policies set forth in NSC 98/1:

a. Encourage more intimate consultation with South Asian Governments—particularly those of India and Pakistan.

b. Support participation of South Asian countries in United Nations organizations.

c. Adopt a sympathetic attitude toward any developments which might lead to formation of a regional association of non-communist countries in South Asia.

d. Expand information and educational exchange programs.

e. Continue to encourage creation of an atmosphere favorable to economic development and expansion of trade consistent with United States security interest.

f. Provide such economic assistance as will contribute to the stability of the area, strengthen the Western orientation of the region, and facilitate transfer to the United States of materials related to national security.

g. Provide so far as practicable within the framework of other demands related to national security, military supplies, equipment, and services required for internal security, self-defense, or participation in defense of the area.

h. Depending on the political atmosphere and global military developments, seek to obtain such military rights in South Asia as United States may determine to be essential.

i. Take all possible action consistent with U.S. security interests to prevent the USSR or its satellites from obtaining from South Asia strategic materials currently being denied the Soviet bloc by the United States.

j. Continue efforts to improve Indo-Pakistan and Afghan-Pakistan relations.

Regional Associations

53. In anticipation of the situation in the Pacific area to be created by the resumption by Japan of a free and independent status, there arise the problems of the continuing security of Japan, the security of the Pacific area, and the acceptance of Japan's new status by the several Asian and Pacific island nations. A restoration of Japanese defenses can be brought about much more successfully if the Japanese

participate in collective security arrangements rather than reluctantly engage in a rearmament program at the prodding of the United States. At the same time Australia, New Zealand, and the Philippines might be expected to quell their natural fears of a rearmed Japan if Pacific security arrangements were established.

54. In terms of United States military interests, none of the countries in the Pacific area can presently contribute military resources to any effective degree. Japan has considerable military potential in manpower resources, industrial capacity, shipping and ship-building capacity, and military experience. However, it will require a number of years before this potential can be realized. It will not serve to cope with any Sino-Soviet aggression in the immediate future. The Philippines cannot depend on its own resources for self-defense and requires the support of United States armed forces as well as military assistance from the United States. Australia and New Zealand have very small armed forces, lack their own logistic support, and are committed to some extent to military operations in other theaters of the world in line with plans of the Commonwealth. Indonesia's maximum capability would be the establishment of sufficient internal forces to create and maintain internal stability.

55. The problems of participants, of the effect on the mainland of Asia, and of the nature of guarantees make it necessary that efforts to bring about Pacific security arrangements be developed cautiously and on a flexible basis.

56. Development and establishment of mutual security arrangements for the Pacific area will have profound effects on the non-communist countries of South and Southeast Asia. At the same time that mutual security arrangements are being developed for the Pacific, the United States should seek ways to encourage both closer cooperation among the countries of Southeast Asia and progress by these countries toward participation in a broadened regional arrangement.

57. With respect to regional security arrangements, the United States should:

a. Conclude the post-treaty security arrangements with Japan as provided for in 29-*b* above.

b. Maintain the security relationships with the Philippines as provided for in 40 above.

c. Conclude a security arrangement with Australia and New Zealand.

d. Consider the desirability of security arrangements with other countries of Asia, either on a bilateral or multilateral basis.

e. Encourage and support closer economic and political cooperation with and among the countries of Asia in keeping with the objective stated in 10-*d* above.

790.5/5-1551

*Conference Report on Tripartite Military Talks on Southeast Asia
Held at Phoenix Park, Singapore, May 15-18, 1951*¹

TOP SECRET

The three heads of the French, British and American Delegations, here undersigned, are in unanimous agreement on the report attached herewith.

This report includes the conclusions and recommendations resulting from the studies, made in common, during the course of the Tripartite Military Conference held in Singapore from 15 to 18 May 1951.

J. DE LATTRE²*General d'Armée*JOHN HARDING³*General*A. D. STRUBLE⁴*Vice Admiral, U.S. Navy*

SINGAPORE, 19 May 1951.

[Attachment]

PRESENT

FRANCE

General d'Armée	Jean de Lattre de Tassigny
General de Corps Aérien	Pierre Fay
Vice Admiral	Paul Ortoli
General de Brigade	Pierre Pelissie

UNITED STATES

Vice Admiral	Arthur D. Struble
Brigadier General	Francis G. Brink

UNITED KINGDOM

General	Sir John Harding, KCB, CBE, DSO, MC, ADC.
Air Marshal	Sir Francis Fogarty, KBE, CB, DFC, AFC.
Vice Admiral	The Hon. Sir Guy Russell, KCB, CBE, DSO.

¹ For documentation on the background of this conference, see pp. 332 ff.

² Gen. d'Armée Jean de Lattre de Tassigny, French High Commissioner in Indochina; Commander of French Union Forces in Indochina.

³ Gen. Sir John Harding, Commander of British Land Forces in the Far East.

⁴ Vice Adm. Arthur D. Struble, Commander of the U.S. First Fleet.

OBSERVERS

NEW ZEALAND

Major General

K. L. Steward, CB, CBE, DSO.

AUSTRALIA

Colonel

J. G. Wilton, DSO.

Group Captain

D. McLaughlin

Commander

C. M. Hudson

SECRETARIAT

Colonel L. C. C. Harrison, M.C.

Lieutenant-Colonel H. A. Ellis, U.S. Marine Corps.

Commandant J. A. E. Deleris.

AGENDA

1. A review of the military situation in Indo-China and South East Asia.

2. Recommended military courses of action in the current situation to secure Indo-China, Thailand, Burma and Malaya and methods to ensure continuing exchange of information particularly regarding China, having a bearing on this problem.

3. Probable effects and recommended subsequent military courses of action in case of Communist uprisings within Thailand, Burma or Malaya.

4. Probable effects and recommended military courses of action in the event the Chinese Communists invade Indo-China, Thailand, Burma or Malaya.

5. Measures for coordinating convoy routing and protection of shipping arrangements in the South China Sea-East Indian Ocean area and for insuring a constant surveillance of war contraband activities.

Report prepared by the delegates of the French, United States and British Military Authorities at the Conference at Singapore held from 15th to 18th May 1951.

This report covers the agreed conclusions and recommendations of the conference and is presented in four parts:—

Part I	Exchange of Information
Part II	Operational aspects of the defense of South East Asia
Part III	Logistic Requirements
Part IV	Control of shipping and the Surveillance of Contraband Traffic

The Report has been prepared in both French and English and the texts possess equal validity. Any divergencies in the meanings of the

two texts which may subsequently come to light will fail to be resolved between the Governments concerned.

[Here follows Part I, "Exchange of Information."]

PART II

OPERATIONAL ASPECT OF THE DEFENSE OF SOUTH EAST ASIA

INTRODUCTION

1. We record below the situation and requirements for Indo-China, Burma, Siam and Malaya in respect of Items 2, 3 and 4 of the Agenda and set forth the conclusions and recommendations.

General

2. The security of all the countries of South East Asia is inter-dependent, and instability in one will affect all the others.

ITEM II

Indo-China

Conclusions

3. At this time the defense of Tonkin should be recognized as the key to the security of South East Asia and should receive the highest priority in the area for the allocation of any required forces or resources that are or may become available.

4. Under the existing conditions the Forces of the French Union dominate the present situation in Indo-China.

5. The French retain the sole responsibility for the security of Indo-China.

Recommendations

6. To continue the accelerated delivery of the material aid already programmed.

7. To make arrangements for the examination of the logistic problem in Indo-China by representatives from the armed forces of all three countries, the necessary meetings taking place periodically at Saigon as required.

8. There should be a full exchange of information especially covering China between the countries concerned, and to this end arrangements should be made for representatives from the armed forces of all three countries to meet periodically as required and at such places as are appropriate.

9. To set up an adequate signal organization between Saigon and Singapore and to this end arrangements should be made to enable representatives from the armed forces of France and Britain in South East Asia to meet periodically to discuss this problem.

Burma

Conclusions

10. The first requirement for Burma is political stability, and under the present circumstances there would be no purpose in increasing mili-

tary aid to Burma beyond that already contemplated by the British until the quality of the Burmese Army has improved and its reliability was assured. There are now arms and equipment supplied by the British in store in Burma that are not being used.

11. The Burmese Army needs tuition and guidance. The resources already available to them through the British Military Mission are not being fully utilized.

Recommendations

12. Military aid beyond that already contemplated should not be given to Burma under the present conditions.

13. All possible steps should be taken to increase the effectiveness of the British Military Mission.

Thailand

Conclusions

14. The current Thai Government is anti-Communist.

15. The will of the Siamese Government and the people to resist Communism in the main rests on developments in Indo-China and Burma.

16. The improvement of their armed forces and police would be an important contributory factor in the stability of Siam.

Recommendations

17. The United States continue to furnish military assistance in the form of material, advice and training to the Thai armed forces.

Malaya

Conclusions

18. The security of Malaya is the sole responsibility of the British, and they have control of the internal security situation at the present time.

19. The situation in peripheral countries has a direct bearing on the internal security situation in Malaya.

20. The successful conclusion of the current operations in Malaya has a direct bearing on the stability of South East Asia.

Recommendations

21. That the campaign in Malaya should not be jeopardized by the diversion of forces now engaged in it.

General Recommendations

22. The most profitable action in this entire matter is to achieve the most rapid possible build-up of coordinated anti-Communist strength by seizing and retaining the initiative in South East Asia.

23. That steps be taken to prevent the smuggling of arms and military equipment into the four countries discussed herein. Common studies should be made by our Governments with the object of pre-

venting the supply of such arms and military equipment from or through peripheral countries.

ITEM III

General

24. The effect of a successful Communist uprising in any one of the countries concerned will be the serious weakening of the anti-Communist strength of the others.

Thailand

Conclusions

25. A potential threat exists in Thailand in the form of Chinese Communist Fifth Column.

26. The Siamese Government is capable of controlling a Communist uprising, providing it is not accompanied by external aggression from Communist China.

Recommendations

27. Material aid priority should be increased in the event of local uprisings.

28. Requests from the Siamese for further assistance should be studied in the event of a serious uprising that appears to be beyond the capabilities of the Siamese to contain. No useful purpose will be served by intervening with token forces only.

Burma

Conclusions

29. An uprising exists in Burma at the moment and the initiative appears to lie slightly with the insurgents.

30. The ability of the Burmese government to defeat a Communist uprising is largely dependent upon the amount of external aid received by both sides and the degree of effectiveness with which that aid is used.

Recommendations

31. Everything possible must be done to improve the training and efficiency of the armed forces.

32. When the stability of the government is assured and the forces are able to use it, material aid should be increased.

33. If the uprising appears to be gaining success additional assistance should be considered. No useful purpose will be served by intervening with token forces only.

Malaya

Conclusions

34. The British are controlling the situation in Malaya and progress is expected without any additional aid.

35. The British are capable of containing any anticipated further Communist uprising in Malaya and require no further aid.

Recommendations

36. The forces committed in Malaya should not be diverted at the expense of the current campaign.

ITEM IV

General

37. The effect of a Chinese Communist invasion of any country would be the immediate creation of a new situation throughout South East Asia.

38. A successful invasion of any one of the countries by the Chinese Communists will have a serious effect on the ability of the other countries to defend themselves.

39. An unsuccessful invasion by the Chinese Communists will materially strengthen the anti-Communist position in South East Asia.

Indo-China

Conclusions

40. It appears likely that a major offensive by the Chinese Communists against Indo-China could not be contained without allied assistance and cooperation, to the forces of the French Union, in particular with reference to the defense of Tonkin which is the corner stone to the defense of South East Asia.

41. Appendix "A"⁵ is a preliminary French assessment of the additional forces which would be required in order to ensure successful defense of Tonkin against a major Chinese Communist invasion.

42. The reinforcements listed in the French assessment are not available from resources within South East Asia and the source of any additional forces should not be considered at this conference.

Recommendations

43. The respective governments should take note of this situation and the estimate of forces required.

Burma

Conclusions

44. The Burmese Armed Forces, without assistance, cannot resist successfully a Chinese Communist invasion of Burma.

45. Appendix "B" is a preliminary British assessment of the additional forces that would be required to reinforce the Burmese Armed forces in order to repel a Chinese Communist invasion.

Recommendations

46. The respective governments should take note of this situation and the estimate of forces required.

⁵ Not printed.

*Thailand**Conclusions*

47. An invasion of Thailand by the Chinese Communists is unlikely by sea or air and therefore an invasion is only probable through Indo-China or Burma.

48. If a Chinese simultaneous invasion of Indo-China and Burma is successful, the military situation of Thailand will probably be untenable.

49. A successful invasion of Indo-China by the Chinese Communists would make an effective defense of Thailand unlikely.

50. If Indo-China stands firm but Burma is successfully invaded by the Chinese, it appears possible to defend Thailand only if additional troops are brought in. No estimate has been made of the forces required for these operations but it is anticipated that they would be considerable.

51. In the event of an invasion of Burma, the defense of Thailand is an essential adjunct to the defense of Indo-China.

Recommendation

52. The respective governments should take note of this situation.

*Malaya**Conclusions*

53. The probability of a sea or air-borne invasion of Malaya by the Chinese Communists is remote, therefore Malaya can only be invaded if either Indo-China and Thailand, or Burma and Thailand have fallen.

54. Singapore is vital to the communications in South East Asia. It is the British intention to defend it in the event of Communist Chinese invasion of Malaya.

55. It was stated by the British Commanders in Chief that, if Malaya is exposed to Chinese invasion, in addition to the forces likely to be available, they would require a corps of three divisions with supporting arms and services and the necessary supporting sea and air forces to maintain the security of Malaya.

Recommendation

56. The respective governments should take note of this situation and the estimate of forces required.

ADDITIONAL GENERAL CONCLUSIONS

The Time Factor

57. The gaining of time is of the highest importance to the development of the French operations for the defense of Indo-China and for the improvement of the internal situation in Thailand, in Burma and in Malaya. It would therefore appear undesirable if any action were taken which might give the Chinese a pretext for intervention.

Localization of Chinese Intervention

58. Should a Chinese Communist penetration in South East Asia take place, it would be desirable to take steps to prevent becoming involved in a general war with China.

Additional Forces

59. If a major Chinese invasion of South East Asia is to be successfully withstood, additional forces will be needed. These additional forces will be the sum of the forces needed for a defense of Indo-China and Burma. It is recommended that, in estimating the forces that would be required for this purpose, the French and British estimates in Appendices "A" and "B" should be noted.

[Here follow Appendix "A" to Part II, an estimate of reinforcements necessary to permit the French to resist a Chinese Communist invasion of Tonkin; Appendix "B" to Part II, "Possible Chinese Communist Operations Against Burma;" Part III, "Logistic Requirements;" and Part IV, "Control of Shipping and Control of Contraband Traffic."]

Policy Planning Staff Files: Lot 64D563¹

*Substance of Discussions of State-Joint Chiefs of Staff Meeting at the
Pentagon Building, June 8, 1951, 11 a. m.²*

TOP SECRET

[Extracts]

PRESENT

General Collins ³	Mr. Perkins ⁷
Admiral Sherman ⁴	Mr. Rusk
General Twining ⁵	Mr. Nitze ⁸
Admiral Struble	Mr. Ferguson ⁹
Admiral Lalor ⁶	Mr. Tufts ¹⁰
	Mr. Gleason ¹¹

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¹ Files of the Policy Planning Staff of the Department of State, 1947-1953.

² Beginning in January 1951, the Joint Chiefs of Staff and representatives of the Department of State met regularly, generally on a weekly basis. The purpose of these conferences was to exchange information and opinions rather than to achieve agreement on the various issues discussed. The source text indicates that this record is a State Department draft not cleared with any of the participants.

³ Gen. J. Lawton Collins, Chief of Staff, U.S. Army.

⁴ Adm. Forrest P. Sherman, Chief of Naval Operations.

⁵ Gen. Nathan F. Twining, Vice Chief of Staff, U.S. Air Force.

⁶ Rear Adm. William G. Lalor, Secretary, Joint Chiefs of Staff.

⁷ George W. Perkins, Assistant Secretary of State for European Affairs.

⁸ Paul H. Nitze, Director of the Policy Planning Staff.

⁹ John H. Ferguson, Deputy Director of the Policy Planning Staff.

¹⁰ Robert W. Tufts, Member of the Policy Planning Staff.

¹¹ S. Everett Gleason, Deputy Executive Secretary of the National Security Council.

*Admiral Struble's Report*¹²

Admiral Struble said that the British representatives at the Singapore meeting did not want the French to know about the U.S.-U.K. shipping arrangement in the area. The British had been clearly concerned about command arrangements and this had affected their attitude toward the talks. The French were anxious for more information about China and had obtained some information about Formosa about which they were skeptical.

Military Intelligence. The French wanted a good U.S. intelligence officer to meet with their intelligence people and with British Intelligence officers to put out an agreed tripartite intelligence report. Admiral Struble said that he had taken the position that he could not agree to the preparation of agreed reports. He had said that we would be prepared to assign a good officer and to furnish intelligence information and so forth. He felt that the French were using this problem as a foundation stone in building a theater command. The U.K. agreed to improve intelligence activities in the area. Admiral Struble said that he had seen no reason why a U.S. officer could not attend intelligence meetings and discuss intelligence problems. There was much concern about the problem of obtaining information on contraband traffic. This was wanted to assist the French in halting this traffic. Admiral Struble said that he agreed that we would discuss the subject of intelligence and its improvement but that we would not go into a discussion of anything that looked like the formation of a theater command.

The French thought that the defense of Tonkin was vital to the defense of South East Asia. General Brink—who has been in the area a long time—felt that DeLattre was making a fine stand. There was increasing confidence. Everyone was working hard. DeLattre was not demanding assistance on every task. Admiral Struble said that he had had a very favorable impression of the French effort. He said that the meeting had agreed to state in its report that Tonkin is a vital area in the current situation.

U.S. aid is arriving in good quantities now. General Brink is doing a splendid job.

DeLattre showed much concern about confidence in the local situation. He would not discuss evacuation even in the broadest terms. Admiral Struble said that he had, therefore, dropped this suggestion because he felt that confidence in the local situation was more important than getting our long range views on the table. Admiral Struble said that there had been about 50 persons present at the meetings and

¹² Vice Adm. A. D. Struble was U.S. representative at the tripartite military talks at Singapore, May 15-18. For extracts from the report of that conference, see *supra*.

that he had, therefore, been somewhat concerned regarding security. General Collins asked why there had been so many at the meetings. Admiral Struble said that the U.K. and French delegations each consisted of about 20 persons.

Admiral Struble said that he had not pressed for a discussion of the possibility of Chinese Communist invasion for he had felt that this might upset the boat.

Admiral Struble said that he felt that DeLattre had not been too well briefed in Paris.

Admiral Struble reported that the French had agreed to improve communications between Singapore and Saigon.

Burma. Admiral Struble said that the U.K. mission in Burma is apparently not doing well. The U.K. has some military equipment in Burma but it does not want to distribute it because relations with the Burmese are poor. Apparently the British and the Burmese are not speaking to each other. The Air and Naval Missions there are doing a little. The French had shown much interest in this question. They had pointed to the importance of Burma and emphasized the dangers in the situation. The French felt that something should be done about it. Harding (British) said that the U.K. was ready for a joint mission to Burma or even for turning the job over to someone else. Burma appears to be the weakest spot in South East Asia and the U.K. is not going to improve the situation. Admiral Struble said that he did not know whether the U.S. would want to put a mission in Burma and that he had not discussed this problem. General Collins agreed that Burma is an important area, but said that we did not want to send a mission to Burma. Admiral Struble thought that the Chinese Communists were thinking in terms of political infiltration rather than invasion. He said that the Chinese were making some headway. He doubted that Burma would be invaded. There had been considerable discussion of the problem of the Chinese Nationalists along the border between Burma and China. DeLattre said that he was imprisoning every Chinese Nationalist he could get his hands on. These Nationalist forces could be a source of trouble and DeLattre wants to avoid any excuse for Chinese Communist action. General Collins asked how many Nationalists there were on the border. Admiral Struble said there were 10 to 15 thousand. Mr. Rusk asked whether the British or French had pressed for action on this problem. Admiral Struble said that he had avoided the subject and had allowed the British and the French to make their statements. They had not pushed him for any action.

Thailand. The French have no confidence in the stability of the Thai government. They think that it will blow and bend with the wind. The British were not so outspoken. Admiral Struble felt that we should continue our aid program. General Collins asked whether there

was any confirmation of the French view. Admiral Struble said that General Brink thought that the situation was not as bad as the French portrayed it. General Collins said that Cole¹³ was not enthusiastic about the situation in Thailand.

Malaya. It was clearly stated that Malaya was the sole responsibility of the British. The British presented the military situation and their action very clearly. They are using 20,000 troops with much effectiveness. It is a long range problem, and Admiral Struble said that he could not see anything more that could be done to improve the situation. He thinks there is some progress but it is slow. He felt that there should not be any diversion of U.K. forces from Malaya. Mr. Rusk asked whether there had been any suggestion of a need for U.S. aid for Malaya. Admiral Struble said there had not.

Indo-China. The French recognized that Indo-China is their sole responsibility. They asked for more aid. DeLattre complimented General Brink for his activities. Admiral Struble said that DeLattre had impressed him as a good man for the job in Indo-China. DeLattre is, however, something of a prima donna. Admiral Struble thinks that it is necessary to back him up.

Admiral Struble said that his general conclusion was that a co-ordinated build-up of anti-communist strength in South East Asia is needed. The important points seem to him to be the following: the political situation in Burma and the possibility of a Chinese invasion; the political situation in Indo-China and the large possibility of a direct Chinese invasion.

Admiral Struble believes that DeLattre wants to establish an allied command for South East Asia with DeLattre as the Supreme Commander. His proposal for a joint intelligence operation was the first step. DeLattre wants to establish a strategic reserve of six to eight divisions. Admiral Struble said that he could not accept or agree to any statement on this. The matter was discussed at some length. He said that he had been willing to permit the French to make a unilateral statement about the size of the forces needed to defend Indo-China in the event of a Chinese invasion. He had also been willing to permit the British to make the same kind of a statement for Burma. These estimates could then be forwarded to the governments for their information. Admiral Struble thought that it would not be desirable for him to appraise these estimates. Therefore, the estimates are merely forwarded in the report of the meeting. Admiral Struble said that he thought the British estimate that two divisions were needed for the defense of Burma—the Rangoon-Mandalay area—was too low. In any

¹³ Brig. Gen. John T. Cole, U.S.A., Chief, Military Assistance Advisory Group in Thailand.

event the divisions would have to be there prior to the invasion if they were to be of any use.

Admiral Struble reported that the Americans believe that DeLattre could hold off a minor invasion with his present forces, but not a major invasion. He said that DeLattre appreciated our desire to help in the event that evacuation became necessary, but did not want to discuss this matter.

He said that the French went after the British strongly on their intentions. They wanted to know whether Malaya would be defended vigorously and whether Singapore would be defended if Malaya fell. Although the French made a big point of this, it was Admiral Struble's view that Singapore meant nothing if Malaya fell.

Admiral Struble thought that if Burma or Thailand fell, subsequent developments would be entirely up to the Chinese Communists. General Collins noted that the land communications in the area are poor. Admiral Struble thought that the Burma road is being put in pretty good shape. Mr. Nitze asked whether the Kra Isthmus could be held. General Collins thought that the British ought to be able to hold that isthmus. He pointed out that the Japanese had had a Navy and that the Chinese Communists do not. The British ought, therefore, to be able to hold whatever forces the Chinese Communists could deploy and supply in the area. However, there is a good railroad.

Admiral Struble felt that Thailand would fall if either Burma or Indo-China falls.

Admiral Struble said that the French brought up the problem of logistics, and that he had indicated a readiness to discuss the problem and to take whatever action was possible. The French want ship repair facilities at Singapore and Subic Bay. The French have no way to support their vessels in the area. They also want aviation repair facilities so that the planes we are now furnishing can be repaired in the area rather than be sent back to France. They also want reserve supplies stocked in the Philippines or Singapore or both. Admiral Struble said that the British and the Americans had agreed to look into these problems but that he had been unable to agree to any specific proposals. He said that he had avoided discussing the use of the Philippines since he was not sure whether there would be any objection to French use of Subic Bay. He said that it was his personal view that the French will need help along these lines if the fighting in Indo-China continues. Admiral Sherman thought that it would be advantageous to us to assist the French in these ways. It would be more economical than to supply them with new equipment. General Collins thought that the French should be able to train their own repair crews but that we would have to supply the spare parts. Admiral Sherman

thought that this assistance would increase our potential in the Philippines and would be useful to us for that reason.

Admiral Struble said that DeLattre and the British were strongly of the opinion that any possible pretext for Chinese Communist intervention should be avoided. He said that he had agreed to a statement along these lines. The report also contained a statement about the importance of avoiding general war. Mr. Rusk asked what would constitute a pretext in the view of the British and the French. Admiral Struble replied that the bombing of Chinese territory and the presence of Chinese Nationalist forces along the borders were the points which the British and French had in mind.

The French had emphasized the problem of contraband. They assert that it is flowing to Indo-China from the Philippines via Bangkok and Macao. They also believe that a large part of the military supplies furnished Indonesia enter contraband channels. They think it is going straight to Malaya and Indo-China. The French hammered at this point insistently. Admiral Struble said that he had not been sure where the U.S. stood on the Indonesian question and was not sure whether we were supplying arms to Indonesia. He, therefore, agreed to include a statement in the report regarding contraband traffic in arms from peripheral areas. He had wanted to avoid any political problems. Mr. Rusk asked whether the British and the French were ready to furnish proof of contraband shipments. General Collins said that there had been evidence of such traffic including traffic from the Philippines to Indo-China. Admiral Struble said that he had agreed to recommend that the governments study this problem. Mr. Nitze asked whether the U.S. is sending military supplies to Indonesia. He said that he was not aware of any shipments. Mr. Rusk said that there was a program for equipping the constabulary with small arms. Admiral Struble said that small arms were important in the kind of fighting that is taking place in Malaya. General Collins thought that the shipments from the Philippines were the most important. Admiral Struble said that the British and the French believe that we are supplying equipment to some of these countries which enables them to manufacture small arms for export. Not much equipment is required to maintain guerrilla warfare on the Malayan pattern. Admiral Sherman said that the Indonesians take a very rigid attitude and say that they will supply anyone they want to supply. Admiral Struble said that the British and French think that we should not furnish supplies and arms in peripheral areas. They believe that these arms can only be used against us. He felt that the British and French had a strong point. Admiral Sherman said that he agreed.

Admiral Struble said that the French are trying to lay a basis for inter-allied command in the area. General Collins said that some

propaganda about the necessity of an inter-allied command had appeared recently in the press. Admiral Sherman said that Senator Kefauver ¹⁴ had asked him during the recent hearings what progress was being made toward the creation of a U.N. command for all such situations. Admiral Sherman said that he had stated that it would be very difficult to establish U.N. commands while the Soviet Union was seated in the Security Council. He did not know what the motivation of this line of questioning was. Mr. Rusk thought that Senator Kefauver might be trying to lay the foundation for his Atlantic Union concept.

Admiral Struble said that he had raised the question of what the British and French reaction would be to bombing by the Chinese Communists. He reported that the British and French had tried to evade this question although DeLattre had sought to use it as an argument for obtaining more aircraft for the area. Admiral Struble thought that both the British and the French had been instructed to avoid the topic of retaliatory action.

As to a blockade, the British and French both took the view that this was a political matter. As to preparations for global war, the British and French both felt that this was a broad subject. DeLattre attempted to use this to raise the question of a strategic reserve for the area. As to a Chinese Communist invasion, DeLattre said that this would result in a call for U.N. assistance; however, DeLattre wanted no reference to this in the record. He said that he was not authorized to discuss it. Admiral Struble said that he had included a paragraph on this matter in his own report. General Collins asked Admiral Struble what DeLattre's action indicated. Did it indicate that the French would not ask for U.N. aid? Admiral Struble said that he did not believe that DeLattre had necessarily indicated the French point of view. General Collins asked whether the French had not already indicated that they would ask for U.N. assistance in the event of an invasion. Mr. Rusk said that the French probably would ask for assistance, but that they do not want to indicate their position in advance of an attack. As to the question of psychological warfare, Admiral Struble said that he had raised the question two times and had urged that a common policy should be developed. DeLattre had avoided the topic on the ground that it did not bear on the agenda item under discussion and that he was not authorized in any event to discuss it. The British delegation was willing but not anxious to discuss the subject.

On the problem of shipping controls, it was clear that the British did not want any reference to the fact that they and the Americans

¹⁴ Senator Estes Kefauver of Tennessee.

had discussed the subject before. The French said that they could not discuss the problem of command relationships in the field. Therefore, Admiral Struble said, it had been necessary to deal with this problem as a Naval problem. Possibly the respective Navy Departments can deal with this matter through their local commanders. He felt that it would be unnecessary and undesirable to have a French officer working on the problem in Saigon. The British in Singapore and Americans in Manila can deal with it adequately.

General Collins asked whether DeLattre had discussed the possibility of developing local Indo-Chinese forces. Admiral Struble said that DeLattre took the view that the Viet Nameese can be made into good fighting men. General Collins asked whether the Viet Nameese would be politically interested in fighting for the defense of their country while the French remained in Indo-China. Admiral Struble said that DeLattre had made a very strong statement about the excellent treatment given to the Viet Nameese by the French. Admiral Struble said that he had avoided political discussions but was of the view that the Viet Nameese could be made into good soldiers. General Collins asked whether General Brink believed that the French Mission could train the Viet Nameese. Admiral Struble replied affirmatively.

790.5/9-1751

*The Assistant to the Secretary of Defense for International Security
Affairs (Nash) to the Secretary of State*

TOP SECRET

WASHINGTON, September 17, 1951.

DEAR MR. SECRETARY: Reference is made to the Conference Report on the Tripartite Talks on Southeast Asia, held in Singapore in May 1951,¹ a copy of which was furnished to you on July 24, 1951. This Report has now been considered by the Joint Chiefs of Staff. In view of the United States (and apparently the British) position of no force commitments, no concrete military operational agreements were possible.

For your information there are attached hereto the views of the Joint Chiefs of Staff with regard to the recommendations contained in the Conference Report.² Copies of these views have been forwarded to the Representatives of the British Chiefs of Staff and French Joint Chiefs of Staff for their information, and both agencies have been requested to furnish their comments in return. Final implementation

¹ For extracts, see p. 64.

² The attachment does not accompany the source text.

of some of the recommendations is being delayed until receipt of the British and French views.

In addition, the Joint Chiefs of Staff have expressed the following views on the recommendations contained in the paragraphs of Parts II and III of the Conference Report indicated below :

"a. Paragraph 23.

It is believed that all practicable steps must be taken to prevent the supply of arms and military equipment to peripheral countries through denial of export licenses for commercial shipments. It is noted that some concern was expressed unofficially at the Conference regarding arms smuggling from Indonesia, and possibly other countries, from MDAP supplies. The Joint Chiefs of Staff recommend that coordination of the maximum obtainable intelligence on this subject be carried forward in the Intelligence Advisory Committee toward the end that the diplomatic representation of the State Department to these countries may be supported. With reference to the subject of common studies by our Governments the Joint Chiefs of Staff have notified the British Chiefs of Staff and the French Joint Chiefs of Staff that the Department of State will take such action as it deems appropriate.

b. Paragraph 27 and 28.

The recommendations are noted that material aid priority should be increased in the event of local uprisings, that further assistance should be studied in event of serious uprisings, and that no purpose would be achieved by the intervention in Thailand with token forces. It is believed that all changes in priority for material aid should be based upon studies rather than automatically.

c. Paragraph 32.

The Conference recommends an increase of material aid to Burma when the stability of the government is assured and the forces are able to use it. No mention is made of the source of military aid, but requests upon the United States are possible.

d. Paragraph 15 (f).³

It is recommended that French requests for U.S. hospital facilities outside Indochina, if required, be handled through the Chief of MAAG to the Associated States of Indochina.

e. The Joint Chiefs of Staff concur in the serious effect contraband traffic has on the Southeast Asia countries. Continued pressure should be exerted on non-communist countries for fuller cooperation in order to reduce this traffic. See subparagraph *a* above."

The recommendation contained in paragraph 10(*a*), Part I of the Report is being forwarded to the Central Intelligence Agency.⁴

Sincerely yours,

FRANK C. NASH

³ Paragraph 15(*f*), in Part III of the Conference Report, read as follows: "The respective medical authorities should examine further the requirement for hospital facilities outside Indo-China for the French Armed Forces."

⁴ Paragraph 10(*a*), in Part I of the Conference Report, read as follows: "Efforts should be made to increase our existing intelligence on China south of the Yangtze River with particular reference to the Indo-Chinese and Burmese frontier areas and to the lines of communication to those areas."

S/S Files : Lot 63D531 : NSC 48 Series

*Progress Report by the Secretaries of State and Defense to the
National Security Council*

TOP SECRET

[WASHINGTON,] September 25, 1951.

NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY
COUNCIL ON UNITED STATES OBJECTIVES, POLICIES AND COURSES OF
ACTION IN ASIAReferences: A. NSC 48/5 ¹B. Memo for NSC from Acting Executive Secretary,
subject, "United States Courses of Action in Korea",
dated September 5, 1951 ²C. Memo for NSC from Executive Secretary, same sub-
ject, dated September 11, 1951 ²

The enclosed memorandum by the Secretaries of State and Defense and its attached Progress Report with respect to NSC 48/5 on the subject, prepared jointly pursuant to the direction of the President and in accordance with the understanding of the State and Defense Departments stated in the enclosure to the reference memorandum of September 11, is transmitted herewith for the information of the National Security Council and is being scheduled on the agenda of the Council meeting on September 26, 1951.

Attention is invited to the fact that the enclosed Progress Report provides background for Council consideration at its meeting on September 26, of the course of action recommended by the Joint Chiefs of Staff and submitted by the Secretary of Defense in the enclosure to the reference memorandum of September 5, 1951.³

JAMES S. LAY, JR.

[Annex 1]

MEMORANDUM FOR MR. JAMES S. LAY, JR., EXECUTIVE SECRETARY,
NATIONAL SECURITY COUNCILSubject: First Quarterly Progress Report on NSC 48/5—"United
States Objectives, Policies and Courses of Action in Asia"Ref: NSC 48/5 and note by the Executive Secretary to the National
Security Council, 17 May 1951¹ Dated May 17, p. 33.² Not printed.³ National Security Council Action No. 561 indicates that at its 103rd Meeting, September 26, the Council took note of this progress report (S/S Files: Lot 62D1: NSC Actions). Documentation regarding Council action with respect to Korea is scheduled for publication in volume VII.

Joint State-Defense Memorandum of 5 September 1951 to the Executive Secretary, National Security Council on "Responsibilities of the State and Defense Departments for Coordinating the Implementation of NSC 48/5"*

In accordance with the President's directive on the implementation of NSC 48/5 and the above-referenced memorandum, there is submitted herewith the first quarterly progress report on NSC 48/5. It is requested that this be circulated to the Council members for information.

DEAN G. ACHESON
Secretary of State
ROBERT A. LOVETT
Secretary of Defense

[Annex 2]

MEMORANDUM FOR MR. JAMES S. LAY, JR., EXECUTIVE SECRETARY,
NATIONAL SECURITY COUNCIL

Subject: First Progress Report on NSC 48/5—"U.S. Objectives, Policies and Courses of Action in Asia"

NSC 48/5 was approved by the President on May 17, 1951. He directed that implementation of NSC 48/5 be under the coordination of the Secretaries of State and Defense, and that they transmit joint progress reports at least quarterly. The responsibilities for the joint coordination of the implementation of NSC 48/5 were outlined in the memorandum from the Secretaries of State and Defense of September 5, 1951.† This first progress report is submitted in accordance with the directives of the President and that memorandum. It is requested that this progress report, as of 25 September 1951, be circulated to members of the Council for their information.

A—GENERAL CONSIDERATIONS AND LONG-RANGE OBJECTIVES

The statements and consideration contained in paragraphs 1 to 4 of NSC 48/5 appear as valid today as when this policy was adopted. Despite the armistice talks the Communist bloc has shown no apparent lessening in its intention to resort to armed force in Asia if necessary to gain local objectives. U.S. action in Asia must continue to be based on the recognition that the most immediate overt threats to U.S. security are currently presented in that area. Such threats may even have

*Memo for NSC from Executive Secretary, subject, "United States Objectives, Policies and Courses of Action in Asia," dated September 11, 1951. [Footnote in the source text. Neither the memorandum of September 5 nor that of September 11 is printed.]

†Memo for NSC from Executive Secretary, same subject, dated September 11, 1951. [Footnote in the source text.]

increased during the past four months as a result of the rapid and intense build-up of Chinese Communist and North Korean military forces, and the increased tensions in the Far East threatening the security of Japan. Meanwhile, there has been no indication of any change in current Soviet tactics to bring the mainland of eastern Asia and eventually Japan and the other principal off-shore islands in the Western Pacific under Soviet control. There is every indication that the USSR will exploit to the fullest the resources of Communist China to attain this objective. To date the U.S. has succeeded in avoiding a general war with the USSR, but developments in the Far East have reduced the margin of maneuverability on which the Soviet Union can play without resorting to greatly expanded hostilities, if the Soviet Union determines to force a decision in Korea primarily by military means. In general, the principle of collective security has been effectively applied in the interests of the United States, although our allies have displayed an anxiety over the risks involved which has led them to considerable caution and reluctance to proceed as rapidly and as far as we would like with respect to certain proposals for military and economic action against the aggressors.

With respect to the long-range national security objectives of the U.S. specified in paragraph 5, tangible progress toward the achievement of these objectives cannot be recorded in the brief period covered by this report. However, there appears to be slow but steady progress in the development of stable and self-sustaining non-Communist governments friendly to the United States and able to maintain internal security. The preponderant military power of the USSR in Asia, particularly in conjunction with the development of Chinese Communist forces on a modern scale, has not lessened to any appreciable degree. On the positive side, progress can be noted toward the general unity of Asian and non-Asian countries, as exemplified at the Japanese Peace Treaty Conference. The United States and the rest of the free world continue to maintain access to the material resources of the Asian area, but the complete denial of these resources to the Communist bloc has not yet been accomplished.

B—IMPLEMENTATION OF CURRENT OBJECTIVES AND COURSES OF ACTION

NSC 48/5 recognized that Communist aggression threatens U.S. security interests in many areas of Asia. The following paragraphs outline the highlights of the implementation of U.S. objectives and courses of action, particularly with respect to the situation in Korea where the security of the U.S. is most directly affected at this time.

I—U.S. POLICY WITH RESPECT TO JAPAN ⁴*Japanese Peace Treaty: (Paragraph 10a)*

Except for ratification processes, implementing action has been completed on paragraph 10a. The signing of the US-UK draft treaty by 48 nations at San Francisco marks a turning point in Asia and represents a significant potential change in the power situation in Asia. Furthermore, as a result of the peace treaty negotiations and the holding of the Peace Conference, considerable progress has been made with respect to paragraph 6c in assisting Japan to become a self-reliant nation friendly to the U.S., capable of maintaining internal security and defense against external aggression, and contributing to the security and stability of the Far East.

Signature of the treaty by Pakistan, Indonesia, Ceylon, the Associated States of Indochina, and the Philippines establishes Japan's relations with most of the non-Communist Asian nations. Bilateral treaties are expected to be signed by Japan with India and Burma. While Japan's relations with China remain undetermined, it appears certain that Japan will not establish relations with Communist China but will in due course negotiate a treaty with the Chinese Nationalist Government on Formosa.

Under the treaty Japan should be able to develop trade relationships with other nations, particularly those of Asia, which will contribute to the objective of a "self-reliant" nation. The continuing close relationship to be maintained with the United States, including the stationing of U.S. troops in Japan, and the development of Japanese defensive forces, should create the necessary situation of strength in Japan and thereby contribute to the security of the Pacific area and of the United States.

Economic Support for Japan: (Paragraph 10c)

Since the outbreak of the war in Korea, the U.S. has been procuring goods and services in Japan for UN forces in Korea at the rate of approximately \$25 million per month. Use of Japan as a source of materials has greatly facilitated the supplying of UN forces and at the same time has contributed significantly to Japan's economic position. Japan's commercial exports have increased from a level of about \$70 million per month for the July-September 1950 period to a level of \$125 million per month in April-June 1951. While exports to the Chinese mainland dropped sharply during this period due to export controls imposed in Japan, the Japanese exports to the non-Communist countries in Asia during April-June 1951 were more than 2½ times the dollar value of the July-September 1950 level. Dollar earnings resulting from U.S. procurement in Japan for Korea and the

⁴ For documentation on this subject, see pp. 777 ff.

partial "pay-as-you-go" arrangement for U.S. occupation forces instituted on July 1, 1951, plus the higher level of commercial exports, made possible the termination on July 1, 1951, of the economic aid programs for Japan.

Transition from Occupation Status: (Paragraph 10d(1))

In his Constitution Day speech on May 3, 1951, the Supreme Commander for the Allied Powers authorized the Japanese Government to undertake a review of laws and ordinances enacted or promulgated as a result of occupation directives. The Japanese Government formed an ordinance Review Committee to undertake this task, and although the only positive action so far taken relates to the depurge, the Committee is studying various laws and ordinances with the view of recommending new legislation in the Diet or other appropriate changes by Executive action.

Since May 17, 1951, Japan has been admitted to membership in the International Labor Organization, UNESCO, three committees of the International Materials Conference, the International Cotton Advisory Committee, and the International Wheat Council. Additional Japanese Government Overseas Agencies have been established at Washington, Ottawa, and London bringing the total number now in operation to 19.

Between June 26, 1951 and September 7, 1951 SCAP authorized the Japanese Government to release from purge restrictions approximately 135,000 persons, including nearly 60,000 former Japanese Army and Navy officers. Of the 57,000 purgees remaining, about 10,000 are former military personnel, of whom 3,000 were general officers. SCAP on September 14, 1951, delegated to the Japanese Ministry of Foreign Affairs authority to communicate directly with foreign missions accredited to SCAP on any subject, with the proviso that all contractual agreements are subject to prior approval of the Supreme Commander. The Far Eastern Commission voted on September 20, 1951 to call the next meeting whenever requested by any member. Such a suspension of meetings will not affect the validity of existing FEC policy decisions, which will remain in effect until the coming into force of the Treaty of Peace.

Formation of Military Establishment: (Paragraph 10d(2))

With respect to Japan's defensive capabilities, progress has been made, under American guidance, in assisting Japan to develop the National Police Reserve and the Maritime Safety Patrol. The President approved on August 29, 1951 the establishment of a Japanese-manned coastal security force, organized and equipped along normal coast guard lines, composed of vessels with appropriate armament and speed and under SCAP operational control, to be operated in waters contiguous to the Japanese islands. On 19 September SCAP was

authorized to take formal action to establish this force. Consultation is now taking place between the Departments of State and Defense with regard to the release of heavy equipment to the Japanese National Police Reserve, and the development of plans for the formation of an effective Japanese military establishment.

Psychological and Educational Programs: (Paragraph 10e(4))

From May to September, inclusive, 1951, 264 Japanese national leaders, including 53 Diet members, visited the United States under 55 projects of the Government and Relief in Occupied Areas exchange of persons program. In addition 484 Japanese students are presently enrolled for academic work under the same program. A Fulbright Agreement was signed between the United States and Japan on August 28, 1951 envisaging operation by the fall of 1952 of the normal program of educational exchange between the United States and Japan, by use of Surplus Property funds. Daily half-hour VOA broadcasts to Japan in the Japanese language were initiated on September 3, 1951.

Policy Evaluation:

While there has been definite and steady progress along the above lines, US-Japanese relationships may enter a more difficult period. The prospect of the indefinite presence of U.S. troops in Japan will create the delicate and permanent problem of meeting both the requirements of Japan's sovereignty and independence and the need for the security of Japan against Soviet attack. Other factors will complicate this basic issue. Among these are the economic attractions of China and Manchuria, the revival of Japanese spirit of nationalism, and the hope or expectation that foreign activities in Japan will decrease and come to an end quickly. These questions of policy deserve special study.

11—U.S. POLICY ON THE SECURITY OF THE OFF-SHORE DEFENSE LINE AND THE DEVELOPMENT OF EFFECTIVE SECURITY RELATIONSHIPS IN ASIA

(Paragraphs 6b, 6d, 10b, 11, 12, and 15)

General:

With respect to the maintenance of the security of the off-shore defense line—Japan, the Ryukyus, the Philippines, Australia and New Zealand—and to the development of effective security and economic relationships among the free nations of Asia and the Pacific, progress has been made during the past four months. The President's address at San Francisco⁵ provided a major policy statement on U.S.

⁵ For the text of President Truman's address at the opening of the San Francisco Conference on the Japanese Peace Treaty, September 4, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951* (Washington: Government Printing Office, 1965), pp. 504-508, or Department of State *Bulletin*, September 17, 1951, pp. 447-450.

support for the development of effective security and economic relations in the Pacific and in Asia.

Japan: (Paragraph 10b)

With respect to Japan, the implementation of paragraph 10b of NSC 48/5 has been completed insofar as the negotiation and signing of bilateral security arrangements with Japan are concerned. The US-Japan security treaty signed at San Francisco fully meets U.S. security and operational requirements during the immediate post-treaty period and guarantees the security of Japan until adequate Japanese defense forces can be developed. An exchange of notes with Japan provides for the continued support from Japan for UN operations in the Far East. The detailed arrangements to be carried out under the bilateral treaty are to be contained in an Administrative Agreement with Japan which has yet to be completed in Washington and negotiated with the Japanese Government. It seems clear that the Japanese Government, a large majority of the Japanese people, and the nations represented at San Francisco recognize the necessity for security agreements between the United States and Japan, and support the bilateral US-Japan treaty. Concerning external threats to Japan's security, the USSR continues to have the capability of launching an amphibious and airborne attack on Japan. However, no indications have become available during the period of this report to indicate that the Soviet Union intends to exercise this capability at this time.

Philippines: (Paragraphs 6b and 12)

The Philippines have strongly supported and enthusiastically accepted the US-Philippines Treaty for mutual security which becomes an important part of security arrangements in the Pacific.⁶ This treaty publicly confirms the close relations which have existed between the two nations and the obligation of the United States to guarantee the integrity of the Philippines from external attack ("U.S. Policy with Respect to the Philippines," NSC 84/2).⁷ This treaty has to a large degree alleviated the Philippine fear of renewed Japanese aggression and has been an important factor in securing Philippine signature to the Japanese Peace Treaty. Due largely to U.S. aid and the resulting increasing efficiency of Philippine forces, progress in improving internal security and reducing the menace of the Huk armed forces has been steady and generally satisfactory.

Australia and New Zealand: (Paragraphs 6b and 15)

The trilateral security treaty signed by the United States with Australia and New Zealand formalizes mutual defense arrangements

⁶ For documentation on the United States Mutual Defense Treaty with the Republic of the Philippines, signed at Washington on August 30, see pp. 132 ff.

⁷ *Foreign Relations*, 1950, vol. vi, p. 1515.

among these countries, allays Australian and New Zealand fears of a Japanese resurgence.⁸

Indonesia: (Paragraph 6b)

The presence of Indonesian representatives at San Francisco and their signature of the Japanese Peace Treaty represent a significant step toward Indonesian alignment with the free world and the United States. One of the significant political developments of the San Francisco Conference was the reestablishment of friendly relations between the Japanese and the Indonesians, from which it appears that Indonesia greatly desires to develop close ties with Japan. If Indonesia moves farther towards the United States and away from Indian "neutrality", the stability and security of the off-shore island defense line in the Western Pacific will be thereby further enhanced.

*Formosa:*⁹ (Paragraphs 6b and 11)

The mission assigned to the Seventh Fleet remains unchanged. (Para. 11a). The Chinese Communists have not tried to assault Formosa and there is no evidence of any impending attempt.

With respect to military and economic assistance, the U.S. government requested the Chinese Nationalist government, in an *aide-mémoire* of 20 July¹⁰ to formulate and propose for urgent consideration with U.S. representatives practical procedures to bring military and civilian expenditures on the island under planned control. Efficient implementation of U.S. assistance programs depends on the effective development of such procedures. Although the Chinese government has accepted the *aide-mémoire* in principal, discussions between U.S. and Chinese officials are still being conducted in order to reach a final settlement.

The military assistance already provided the Chinese Nationalist forces on Formosa has begun to improve their capability to defend the Island, though their over-all combat effectiveness is still limited. The most important development in MDAP in Formosa has been the success of the Military Assistance Advisory Group in obtaining the agreement of the Generalissimo in reorganizing the Chinese Nationalist Army in such a way that, from an organizational standpoint, combat capability will be markedly increased. This new organization is built around 31 Infantry Divisions which are half the size of U.S. divisions but which follow the U.S. pattern of divisional structure. This reorganization is necessary to take full advantage of the capabilities of U.S. arms and equipments now on hand and to be received.

During the period of this report the Military Assistance Advisory Group grew to a size of approximately 280 military personnel, and

⁸ For documentation on the Tripartite Security Treaty, signed at San Francisco on September 1, see pp. 132 ff.

⁹ Documentation on the question of Formosa is scheduled for publication in volume VII.

¹⁰ Not printed.

a 30-day combat reserve of POL was established on Formosa. However, very limited quantities of other programmed matériel were delivered.

III—U.S. POLICY WITH RESPECT TO COMMUNIST CHINA ¹¹

(Paragraphs 6*a* and 8)

Detachment of Communist China from the USSR and Sino-Soviet Relations: (Paras. 6*a*, 8*b*, 8*c*, and 8*d*)

The four months since NSC 48/5 was approved is too short a period in which to obtain concrete results in the implementation of the current U.S. objective in paragraph 6*a* and the courses of action listed in paragraphs 8*b*, *c*, and *d*. However, efforts have been increased to make these courses of action effective. With respect to the general status of Sino-Soviet relations, there are as yet no outward signs or reliable indications of any real friction of significant consequences. All indications point to increased coordination and planning between the USSR and Communist China. The latest open reaffirmation of Sino-Soviet solidarity appeared in the Stalin-Mao exchange of 2 September, which vigorously reemphasized the military significance of the Sino-Soviet Alliance of 1950.

Effects of the Korean War on Communist China: (Paragraph 8*a*)¹²

The successful UN military operations in late May and June inflicted additional heavy losses on Chinese forces in Korea and helped to deflate Chinese Communist political and military strength at that time. This action undoubtedly contributed to the sudden opening of armistice negotiations in late June. On balance, the war in Korea has had both beneficial and harmful effects upon China. It does not appear that in any absolute sense the present UN operation has seriously affected Chinese Communist political and military strength insofar as internal conditions are concerned. The over-all strength of the Chinese Communist regular forces has actually increased from roughly 1,800,000 to 2,000,000 troops. There are many indications that the Soviet Union is equipping and training, at a rapid and accelerated rate, a modern Chinese Communist armed force with armor, artillery and aviation units. As a result of the intervention in Korea, the best Chinese Communist forces have been deployed from outlying provinces in China and concentrated in Manchuria and Korea. Yet, the Chinese Communist regime has been able to maintain and perhaps even increase its political control of China in spite of the heavy losses of men in Korea and the many extra painful burdens which the people in China have been forced to endure to an ever-increasing extent. There is as yet no evidence of any impending economic breakdown in Communist China as a result of the strains of conducting a large-

¹¹ Documentation on this subject is scheduled for publication in volume VII.

¹² Documentation on the Korean War is scheduled for publication in volume VII.

scale war, or of the imposition of certain economic restrictions by the majority of UN members. Nor is such a breakdown of China's essentially primitive economy to be expected. However, it is believed that economic restrictions are beginning to be felt by Communist China both in its capability to wage aggressive war and its domestic economy. But no economic or political conditions yet pose a direct or serious threat to the stability of the Chinese Communist regime.

On the other hand, the war in Korea has provided a cause for dissatisfaction on a large scale within Communist China and may have planted the seeds of wide-spread discontent. There are strong indications that Communist political control is increasingly based on policy suppression rather than voluntary public support. The war in Korea has greatly increased Communist China's dependency on the USSR for economic and military resources. Such dependence has undoubtedly increased Soviet control and influence which in turn can intensify latent hostility between the Chinese and the Russians. In the second place, Chinese Communist intervention in Korea probably has intensified rivalry between Peking and Moscow for hegemony in Korea, although it is unlikely that such rivalry will endanger basic Communist objectives in the near future. There are reports of friction between the Chinese Communists and the North Koreans. The campaign in Korea has deferred Chinese Communist military plans for intervention in Southeast Asia and the capture of Formosa, an object of continued U.S. military actions in Korea as stated in paragraph 9a(3). However, the over-all military position of Communist China has not been restricted to such an extent that Communist China's capability for a decisive intervention in Indochina and in Burma has been greatly lessened. Finally, continued intervention in Korea and failure to reach a settlement has increased Communist China's isolation and diminished its world standing.

Effect of Economic Restrictions Against Communist China: (Paragraph 8e)

On May 18, 1951, the General Assembly of the United Nations adopted a Resolution recommending that every State embargo shipments to North Korea and Communist China of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items useful in the production of arms, ammunition, and implements of war. This Resolution also recommended that every State prevent the circumvention of controls applied by other States under this Resolution. The action which this Resolution envisaged each State would take unilaterally, represented a long step toward such complete control, although such action would be narrower than the position adopted by the United States in December 1950 when this Government terminated virtually all economic relations with Communist China.

A majority of the members of the United Nations have reported compliance with this Resolution in one form or another, as have several non-member countries. In addition, largely subsequent to the adoption of the Resolution, many States recently have taken measures going beyond the generally understood scope of the Resolution. For example, Danish ship owners have agreed not to charter vessels for China trade. Greece has placed in force a law prohibiting the chartering of Greek vessels for transporting items embargoed under the Resolution. Honduras prohibits all vessels flying its flag from calling at Communist Chinese ports and from transporting materials which might serve the Communist Chinese war effort. Italy prohibits its public vessels (85% to 90% of its total shipping) from loading strategic materials destined for Communist China. Liberia prohibits vessels under its flag, except on written approval, from carrying any goods embargoed under the Resolution to any place in the Soviet Bloc, including China. The Norwegian Government has reported steps to prevent Norwegian vessels from transporting such embargoed goods to Communist China. The Republic of Panama, by Decree dated August 18, 1951, prohibits any vessels flying the Panamanian flag from calling at Communist China ports, and Panamanian shipping to Communist China has diminished greatly during the past month.

There are indications of a falling off in the total water-borne carriage of Free World shipping of goods to Communist China. However, United States authorities are aware of possible loopholes permitted by transfer of registry and continuing trade by other flag vessels, and studies are going forward on an urgent basis looking to appropriate multilateral action within and outside the United Nations to further tighten controls over shipping by friendly nations. Increased activity by satellite shipping lines, particularly Polish, complicates the problem of total supply.

There continues to be a substantial volume of goods shipped into China. This trade still includes a certain amount of strategic commodities, but very little consists of direct war materials. Increased smuggling has followed the imposition of more rigid controls in Hong Kong in June, including reported smuggling activities from the US-controlled Ryukyus. The United States continues day-by-day efforts to observe and bring to the attention of responsible authorities infractions of their regulations by smugglers and others who attempt to evade controls applying to trade with Communist China.

IV—U.S. POLICY WITH RESPECT TO KOREA (Paragraphs 6e and 9)

U.S. Objectives: (Paragraph 6e)

The President and U.S. Government officials have reiterated during the past four months the ultimate U.S. political objective of a united,

independent and democratic Korea. The testimony during the Senate hearings on the situation in the Far East also set forth this objective. However, events of the past four months have not brought this ultimate objective nearer to attainment. In fact, the build-up of Communist forces in Korea, described below, implies a determination of the Communists to maintain their hold at least over North Korea. On the other hand, the current objective of the United States in Korea, as outlined in paragraph 6e, has been attained to some extent for the period covered by this report. The policy of inflicting heavy punishment on Communist forces, to compel them to seek a settlement, produced results last June following a successful U.S. counter-offensive north of the 38th parallel.

Armistice Negotiations: (Paragraphs 6a and 9b)

On 23 June 1951, Deputy Foreign Minister Malik of the USSR broadcast a speech suggesting that the Korean problem could be settled and that the "Soviet peoples" believed that discussions should be started, as a first step, on a cease-fire and armistice providing for a "mutual withdrawal of forces from the 38th parallel." The last 3 months since this turn in the Korean situation have resulted in a situation of arduous but sporadic negotiations and limited hostilities. No real progress has yet taken place.

After exchanges on the preliminary arrangements for holding armistice talks, when the United Nations Command offered a hospital ship as a neutral location, the UN and the Communists agreed to open talks at Kaesong on 8 July. Protracted discussion of the agenda ensued for nearly three weeks. The Communists made clear that they would demand a return to the 38th parallel as the military demarcation line, and the withdrawal of all foreign troops. The most difficult issue regarding the agenda was the Communist insistence on an agenda item specifying the withdrawal of foreign troops. On the basis that it was a political question having no proper place on an agenda for a military armistice, the UN delegation refused to accept such an item, and was supported in firm statements made by the Secretaries of State and Defense. On 26 July the UN and Communist delegates finally agreed to the agenda, as a result of mutual acceptance of a final agenda item which substituted "Recommendations to the Governments of the countries concerned on both sides" in place of "Withdrawal of all armed forces of foreign countries from Korea". Even so, the UNC made clear that it was not committing itself in advance to any specific agreement regarding this item. There was some reason then to believe that progress could be made in reaching an agreement on the substantive issues.

Discussions on a demarcation line, the first issue on the agenda began on the 27th of July and continued until 23 August, when the

Communists suspended the negotiations. During these 4 weeks both delegations persistently presented their respective proposals on where to draw the demarcation line and set up a demilitarized zone. In session after session the Communists rudely and bluntly insisted on returning to the 38th parallel as the demarcation line, with a demilitarized zone of 10 kilometres north and south of the parallel. The Communist delegation refused to consider, discuss or even examine any deviation from this position. The UN delegation firmly and factually reiterated over and over its proposal of a demarcation line that followed the general line of contact between opposing forces at that time and a demilitarized zone approximately 20 miles in depth. The UN delegation indicated a willingness to discuss minor modifications of its proposals. However, the Communists showed no interest in the UN proposals or in offering any modifications to their proposals. During the period 26 July–23 August the talks were suspended once by General Ridgway¹³ when Communist armed forces crossed the neutral zone of Kaesong without authorization. The Communists admitted this violation of the [de]militarized zone, agreed not to permit a recurrence, and consented to stricter measures for the neutralization of the Kaesong area. However, this area still remained within Communist lines.

On 23 August the Communists suspended the talks on the grounds that a UN aircraft had bombed the neutral zone. The Communists demanded acceptance by the UN of responsibility for the alleged incident and guarantees against a repetition before they would permit resumption of the negotiations. For nearly a month the Communists staged a bizarre series of false and fabricated “incidents” which they charged against the UN Command as violations of the neutral zone. The Communists demanded full acceptance by the UNC of each charge before they would agree to resumption of the talks. At the same time, Communist propaganda became increasingly hostile and belligerent against the U.S. The UNC investigated each allegation and found no UN responsibility in any case but one. On 10 September a UN plane did violate the neutral zone by mistake; after making a careful investigation, the UNC immediately admitted responsibility for the incident. General Ridgway also repeated his desire for a resumption of the talks. Suddenly the Communists agreed on 19 September, but couched their message in such a way as to keep alive all their fabricated incidents.

Continuation of Military Operations: (Paragraph 9b)

In the absence of an agreed-upon armistice or likelihood of immediate settlement, the UNC has continued the military course of action in Korea on a basis of limited objectives, while maintaining and

¹³ Gen. Matthew B. Ridgway, Commander in Chief, United Nations Command.

strengthening the general military positions across Korea reached in June, and maintaining a program of interdiction of enemy supply lines. During July and August both sides restricted military ground action to the minimum without ceasing hostilities completely. As a result, the losses inflicted on the Communists have substantially decreased since their last unsuccessful offensive. The military operations of the UN have succeeded in establishing a strong defensive line across Korea, which will make difficult any attempt to overrun South Korea by Communist forces. Continued military pressure on the Communists, coupled with their policy of build-up in Korea, has placed certain limitations on Communist capabilities for aggression elsewhere in Asia. Recently, a marked increase in hostilities has occurred in Korea.

Current Situation in Korea:

Chinese Communist and North Korean Build-up: The Chinese Communists have used the past 3 months' relative lull in hostilities to build up striking forces larger and more powerful than any combined force yet available to the Communists in Korea since the outbreak of war in June 1950. The Communists now have the capability of undertaking a large-scale sustained offensive at any time. It is believed that such an offensive could be sustained for at least 4 weeks on the scale of a 40 to 50 division attack. There are many factors underlying this rapid build-up of Communist military strength from the apparently low point reached last June as a result of the extremely severe punishment inflicted by troops of the UN Command. During the first two weeks of September, the heaviest vehicle sightings of the war were reported. Greatly increased Communist troop strength now is located within operational distance of the front. A Communist armored division has moved into the immediate battle area, and Chinese Communist forces have already received direct tank support in local action. There are continuing indications that the USSR is supplying heavy equipment and new-type weapons to the Chinese Communists, including tanks, heavy artillery, and rocket launchers. In the air, Chinese Communist strength in Manchuria has increased, air action is extending farther and farther south, and the enemy has increased his capability of sustaining a relatively large number of jet sorties on consecutive days. Soviet and Chinese propaganda has made use of the Communist build-up.

Soviet Volunteers: (Paragraphs 9e and 9f)

Increasing numbers of Soviet technical personnel in Korea, as anticipated in paragraph 9e, have become more and more evident. However, it is probable that such personnel are assigned either as operators of such special equipment as radar and anti-aircraft, or as advisors on the use of tanks and heavy artillery. There is, as yet, no

evidence that Soviet or other non-Oriental combat units have entered Korea for direct participation in hostilities. Nor is there any indication that any Soviet "volunteer" units have entered Korea in sufficient size to jeopardize the safety of UN forces there.

The Position of the UN Command in Korea:

By early summer the UN command had full control over the strongest possible defensive zone across Korea near the 38th parallel. During the lull in hostilities the UN has also strengthened its military capabilities. While the UN Command has been able to increase the firepower and defensive capacity of its positions, it still is subject to the basic weakness of a relatively-fixed strength in manpower. During the past 4 months there has been no substantial increase in the contribution from UN members to the effective combat forces in Korea, although efforts are being continued to influence our allies to increase their support, following the appeal of 22 June 1951 from the Secretary General of the UN (Para. 9c[).] Considerable progress has been made in reorganizing and intensifying the training of the Republic of Korea armed forces on a revitalized basis. It is probable that the combat effectiveness of these forces has increased to some extent in the past 4 months.

Position of Our Principal Allies in Korea: (Paragraph 9c)

In recent meetings with the Foreign Ministers of the United Kingdom and France,¹⁴ the Secretary of State has explained present policies in Korea and has outlined the courses of action we would expect to take in the alternative cases of achievement of an armistice or breakdown in armistice negotiations. The British and French expressed general understanding of the courses of action which it would be necessary to take should the armistice talks break down. They accepted the necessity for General Ridgway's possession of a certain amount of latitude in his military operations. It is clear that the United Kingdom is anxious to avoid involvement in a mainland war with China and is apprehensive over the consequences of the UN becoming more heavily engaged in the Far East. Foreign Minister Morrison expressed doubts regarding the effectiveness of a blockade or "embargo" against Communist China. He also reiterated the British view that Communist China is not a servile satellite of the USSR and that the British did

¹⁴ The Foreign Ministers of the United States, the United Kingdom, and France met in Washington from September 10 to September 14, devoting their attention to a wide range of European and world problems. During the same period, Secretary of State Acheson held separate conversations with Herbert Morrison, British Foreign Secretary, and Robert Schuman, Foreign Minister of France. Documentation on the Washington Foreign Ministers Meeting and related discussions is scheduled for publication in volume III.

not desire to take steps which would drive Communist China toward the Soviets.

The Question of Relative Capabilities:

In view of the above, it is probable that the Chinese Communists have now, or soon will have, lessened the substantial disadvantages which they encountered during their successive offensives last Spring. The expansion of Communist air capabilities may present a real challenge to the present UN air superiority and relative freedom from air attack, both on the ground and at sea. Furthermore, the developing Communist capability in the air may subject UN ground forces to sustained strafing for the first time in the Korean operation. The Communists can exploit the completion of their build-up either to start large-scale hostilities with a much more damaging effect on UN forces, particularly in winter warfare for which the Communists will be better prepared than they were in 1950, or to improve their bargaining position in renewed negotiations in order to enforce their terms on the UN. Then, if the UN should continue to refuse such terms, resumption of the fighting might appear to be on a more evenly-balanced basis, from the Communist viewpoint.

Planning for Possible Breakdown of Armistice Negotiations:

During the past 2 months the Departments of State and Defense have consulted together on immediate courses of action to be taken in case the armistice negotiations come to a definite end. These courses of action have been developed within the framework of the policy objectives of NSC 48/5. The State and Defense Departments have drafted the paper contained in Appendix A. For the information of the National Security Council there is also attached, in Appendix B, a memorandum of 13 July 1951 from the Joint Chiefs of Staff, entitled "United States Courses of Action in Korea."¹⁵

V—STRENGTHENING OF SOUTHEAST ASIA
(Paragraphs 6b, 6g and 14)

The U.S. Policy of attempting to increase the will and ability of the countries of Southeast Asia to resist Communist encroachment has not been uniformly effective throughout this area. Yet, on balance, the results achieved by U.S. support programs during the past four months have been favorable. A more detailed report on policy implementation and evaluation in Southeast Asia, particularly regarding

¹⁵ Appendix B is scheduled for publication in documentation on the Korean War in volume VII.

Indochina, will be submitted at a later date. This progress report does not cover developments in South Asia. With respect to Southeast Asia the following are highlights:

In Indochina, the Chinese Communists retain the capability of intervening and over-running Tonkin unless substantial reinforcements from the outside are forthcoming. The French might be able to hold out for a short time in the Haiphong redoubt, provided all-out Chinese Communists air attacks are not employed. An armistice in Korea would increase the likelihood of Chinese Communist intervention and, at the same time, greatly enhance Chinese capabilities. As far as internal military operations are concerned, Franco-Vietnamese forces have repulsed the Viet Minh drive to conquer Tonkin and firmly hold the key Red River Delta. However, the over-all internal military situation continues to be one of stalemate, and will remain so, according to General de Lattre, unless (1) MDAP aid as programmed is actually delivered in the immediate future and (2) MDAP aid is increased over that programmed for FY 1952. According to General de Lattre, if these measures are accomplished the Viet Minh will be eradicated within a period of from one to two years, barring Chinese Communist military intervention. Increases in MDAP aid, reinforcement from France and creation of new Vietnamese units have been counterbalanced by improved organization and training of Viet Minh units and increasing capabilities for logistical support from the Chinese Communists. Tripartite military conversations were held in Singapore on 15-18 May 1951; the three Governments have been considering the conclusion of those talks. The discussions held in Washington with Foreign Minister Schuman and General de Lattre in mid-September have served to reinforce U.S. support for the campaign against the Communists in Indochina.¹⁶ While a number of military problems in the U.S. military assistance program have been solved to the satisfaction of both Governments, these discussions have shown that France may have reached the limit of its capacity to continue operations in Indochina without increased U.S. aid, and that the U.S. may soon have to decide whether to assume an increasing share of the burden.

The political situation within the three Associated States shows improvement owing to the restoration of morale following the arrival of General de Lattre and increasing realization of the true nature of the Viet Minh movement. However, the Bao Dai-Huu Government of Vietnam still lacks the confidence and broad-based support of the

¹⁶ For documentation on these discussions, see pp. 332 ff.

people. In international affairs, the participation of the three Associated States in the Japanese Peace Conference marked the first attendance of the States at an international conference and increased their prestige in the world.

In Indonesia,¹⁷ the government and leading authorities have recently demonstrated an increased concern over the mounting threat of Communist subversion. With a recent series of arrests of key Indonesian Communist figures, the Indonesian authorities have adopted a tougher policy against the increasingly-grave internal security situation, and have shown an ability to stand up to the Chinese Communists on issues such as visas and entry of Chinese communists. The Indonesian Government made a momentous decision to attend the San Francisco Conference and especially to sign the Treaty of Peace. This event marks a significant development in the international orientation of Indonesia.

In Burma,¹⁸ although the Prime Minister and the Government are increasingly friendly to the United States and are cooperating with us to the best of their ability, they are faced by growing domestic problems and popular pressures which force them to proceed with great caution. Large areas of the country remain under the control of the various insurgent groups, and the Government is unable to prevent large-scale smuggling and illegal crossing of the Chinese border. The presence of KMT troops in border areas and their recent unsuccessful incursions into Yunnan have increased the Burmese people's fear of Chinese Communist retaliation or intervention in Burmese affairs. The military potential of the Government has been reduced by disagreements between Lt. Gen. NeWin, the Commander-in-Chief, and the Socialist leaders in the Government, and by disputes among the leaders of the Kachins, the best fighters in the Army. There has been an apparently purposeful movement of Communist insurgents within Burma to the Northern Shan States, which may indicate an intention to proclaim an independent "Peoples Republic" in Northern Burma which could be used as a base for further Communist expansion. Because of internal pressure, the Burmese Government maintains its policy of neutrality in the "cold war". While the position of the non-Communist forces has somewhat improved in Indochina and in Indonesia, the Communists have made some progress in Burma, although the Burmese Government shows a growing tendency to recognize the danger.

¹⁷ For documentation on U.S. relations with Indonesia, see pp. 583 ff.

¹⁸ For documentation on U.S. policy with respect to Burma, see pp. 267 ff.

S90.00/10-1351 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL NIACT

BANGKOK, October 13, 1951—10 a. m.

880. Re Deptel 822, Oct 9.¹ Fol comments offered re UK suggestion that US approach TG to encourage joining Colombo plan. Various aid programs, developmental or otherwise, comprising ECA, World Bank, UN technical assistance, MDAP, Fulbright together with expense Thai expeditionary force now taxing resources of country. Total extraordinary expenditures of TG in local currency 1951 for programs noted above estimated at over \$32 million US out of total budget of \$190 million (see Embdes 782, May 11) ¹ 1952 budget already before Parliament embodies approx US \$30 million deficit to be covered by surplus and loans. TG for some time seriously concerned large local expenditures necessitated by present aid programs. Additional aid schemes cld only be financed at price of inflationary measures and in view our own concern this problem Thai wld find it very difficult understand any support by US of Colombo plan.

Current aid programs already hampered in all fields by paucity trained and capable Thai personnel essential not only to present but future success any such scheme. Additional aid program here cld only result in competition for limited number Thai technicians, especially since Colombo emphasis appears to be on same type projects now going forward.

Effect on many Thai trade policies may be great if through Colombo plan UK insists on certain types contribution in return. Example: British might well use plan to force Thai deliver greater percentage total Thai rice production to commonwealth areas to detriment Thai Japanese trade agreements and other non Colombo purchasers, e.g. Philippines. Further support by US wld be in direct opposition to known Thai attitudes and conflict with their desire reduce British economic influence (Embdes 651, Feb 20).¹

Conceivable UK might use Colombo plan here as political lever. British jealous growing US influence in Thailand and cld scarcely forego opportunity afforded recoup former position. If plan so used it wld serve to emphasize UK-US policy differences on many points, e.g. extent of support of Phibun govt, recognition Commie China. US advocacy Thai membership Colombo plan wld foster undesirable impression that US is collaborating with "colonialist" Britain in Asian objectives.

For above reasons Emb strongly recommends no approach be made to TG by US in support Colombo plan.

TURNER

¹ Not printed.

S90.00R/10-2051: Circular telegram

*The Secretary of State to All Far Eastern Posts*¹

CONFIDENTIAL

WASHINGTON, October 20, 1951—3:57 p. m.

For Ambassadors and ECA Mission Chiefs. Subject: Program Beyond FY 1952. This is a joint State/ECA cable.

Purpose this telegram is to present the agreed position of State Department and ECA as to continuation and policy guide lines of ECA programs and operations Southeast Asia and Formosa for fiscal year 1953 pursuant to provisions Mutual Security Act.²

1. At signing Mutual Security Act, President expressed over-all policy line with respect Asian programs as follows:

"The Peoples of underdeveloped areas of world want desperately take fuller advantage of their human and natural resources. We are now supplying material and technical assistance to help them realize these aspirations, and I believe we should continue to do so. I am thinking particularly of necessity supporting free nations of Asia in their efforts strengthen economic foundations of their independence."³

2. It is the present intention of Executive Branch to submit to 1953 programs essentially similar in scope and purpose to those of fiscal Congress fiscal/year 1952. The policy guidance statements with respect to your country, contained in ISAC document 22/3b,⁴ which was transmitted to you on September 18, 1951, and the applicable provisions of the Mutual Security Act, are to be followed in completing your planning with respect to 1953.

3. With specific reference to Sections 502 and 503 of the Mutual Security Act, which deal with the question of what ECA functions shall be continued after June 30, 1952, Executive Branch agreed that it is essential in order to maintain the security and to promote the foreign policy of the United States that in general the present type and scope of economic aid programs planned for countries of Southeast Asia and Formosa should be continued beyond June 30, 1952. If it should be determined after consultation with Congress that it would be necessary to modify present legislation in any way to make it

¹ Sent to Bangkok, Tokyo, Manila, Taipei, Saigon, Rangoon, and Djakarta.

² The Mutual Security Act, Public Law 165, 82nd Congress (65 Stat. 373), which consolidated the administration of economic and military assistance under a new Mutual Security Agency, was signed by President Truman on October 10, 1951. Information on the establishment of the Mutual Security Program is scheduled for publication in volume I.

³ For the full text of the President's statement, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, pp. 563-564, or Department of State Bulletin, October 22, 1951, p. 646.

⁴ Document ISAC D-22/3b, "Guide Lines for Fiscal Year 1953 Foreign Aid Programs: Non-European Countries," September 6, 1951, is not printed. Information on the subject treated by that document is scheduled for publication in volume I.

possible to carry on these programs, the Executive Branch will seek such change in legislation.

4. It is imperative that the missions not take any action with respect to either the continuing development or operations of the STEM programs, or with respect to the recipient governments, which would indicate any intention contrary to our present plan to proceed along the policy lines which have already been made available to you for carrying out STEM programs for the balance of the current fiscal year and the planning of the programs for 1953.

ACHESON

890.00R/10-2551

Memorandum of Conversation, by Mr. Merrill C. Gay, Special Assistant to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] October 25, 1951.

Subject: Future ECA Programs in Southeast Asia

Participants: Mr. Cleveland, ECA ¹

Mr. Arnold, ECA

Mr. Checchi, ECA

Mr. Rusk, FE

Mr. Gay, FE

Mr. Cleveland hoped to get Departmental approval of the substance of his memorandum entitled "Action Program in Asia" ² prior to his departure for Baguio to attend the regional ECA Chief of Missions Conference. The memorandum calls for, among other things, the need to blend all assistance into country programs and to focus these programs on well understood goals and objectives. This focusing would involve setting up a definite period of years for planning purposes, a price tag on the assistance to be given and concrete country by country objectives which might be expressed as institutional goals. This focusing would also be promoted by a Presidentially appointed committee of private citizens which would draw up recommendations to be used in "dramatizing" the program.

Mr. Rusk felt we could not commit ourselves to this proposed course of action at this time for two major reasons. First, the Congressional attitudes in respect of enlarged American responsibilities in Asia (excluding the Philippines); he thought Congress would be increasingly irresponsive to appeals for an enlarged scope of economic action in this area particularly until after the next election.

¹ Harlan Cleveland, Deputy Assistant Administrator for Program, Economic Cooperation Administration.

² For text of the "Action Program in Asia," see p. 103.

Secondly, he felt there were limits to the political receptivity in some of the countries of this area at this time for significant modifications in existing type programs. He felt, therefore, that the only reasonably firm position which could be taken to the Conference would be that outlined in the joint ECA-State circular telegram of October 20, 1951 which suggested that the Executive Branch of the Government would undertake to obtain authority permitting in 1953 continued assistance along the present lines as to form and scope.

In prolonged discussion certain views emerged. Mr. Cleveland felt that we needed our objectives set forth in more finite terms as to types and amounts of aid, institutions to be built and the period of time involved; he desired set forth an intermediary level of objectives somewhere between the presently used statement of general policy objectives and a blueprint covering details of individual projects.

Mr. Rusk observed that our European experience had created an impression in Europe that the US had established a "floor" below which it would not permit the European economies to drop. He did not want this psychology repeated in Asia; it would create a "quicksand" in so far as absorbing economic aid is concerned.

Mr. Cleveland thought that in Europe rather than creating the impression that we had established a floor the concept was that of maintaining "continuous growth" which was a healthy thing. Mr. Rusk observed that this concept in Asia might imply that the taproot extended into the US; this would be serious unless we were prepared to carry through, cutting off the root might be disastrous. He felt further that to the extent we associate with these Governments in setting up joint goals we implicitly assume the responsibility of picking up the check; he wanted to avoid "partnership responsibilities" which might follow from confusing US goals and those of the local Governments concerned.

Mr. Cleveland agreed that we should not become too closely involved with the goals of recipient countries (except in the case of the Philippines and Formosa) but felt that it was necessary to have something of the whole picture in order to effectively and strategically use our aid to break bottlenecks. Mr. Rusk did not want getting into the whole picture to mean too much injection of ourselves into the affairs of the various local ministries. He felt that getting involved to this extent might be politically objectionable particularly to countries like Burma and Indonesia which are more sensitive in their conception of the prerogatives of sovereignty than the more developed countries of Europe.

Mr. Rusk emphasized that he thought it desirable that there be a fullsome discussion of all the suggestions proposed in the memorandum at the meeting and that the views of the Mission Chiefs be fully explored and brought back for consideration here. It was re-

peatedly made clear, however, that the substance of the paper could not be considered as cleared in the Government and he felt that the above-mentioned difficulties and reservations involved in changing the type of program now in existence should be brought fully to the attention of the group.

Concerning the proposed public committee, Mr. Rusk stated the matter was under discussion in top levels of the Department. He felt it extremely doubtful that any Republican support for anything in the nature of an Asiatic policy charter could be gotten before the elections.

790.022/10-2951

The Secretary of Defense (Lovett) to the Secretary of State

CONFIDENTIAL

WASHINGTON, 29 October 1951.

DEAR MR. SECRETARY: I refer to the letter of August 27, 1951, by the Deputy Under Secretary of State,¹ in which he requested a study of the strategic value of certain islands in the Pacific claimed by the United States which are also claimed by Great Britain or New Zealand.

There is inclosed a memorandum to the Secretary of Defense by the Joint Chiefs of Staff which sets forth their evaluation of these islands from a strategic point of view.

Sincerely yours,

For the Secretary of Defense:

K. R. KREPS

*Colonel, USAF, Deputy Director
Executive Office of the Secretary*

[Enclosure]

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Lovett)*

CONFIDENTIAL

WASHINGTON, 19 October 1951.

Subject: Strategic Value of Certain Pacific Islands Claimed by the United States and by Great Britain or New Zealand.

1. In accordance with the request contained in your memorandum of 6 September 1951,² the Joint Chiefs of Staff have evaluated the strategic importance to the United States of the following islands, presently claimed by the United States and also claimed by Great Britain or New Zealand:

Line Islands (Vostok, Malden, Starbuck, Caroline, Flint, Christmas); Ellice Group (Nukufetau, Funafuti, Nurakita, Nukulailai);

¹ Not printed.

² Not found in Department of State files.

Phoenix Group (Canton, Enderbury, Sydney, Birnie, McKean, Gardner, Hull, Phoenix); Tokelau Group (Atafu, Nukunono, Fakaofu); Northern Cook Islands (Penrhyn, Manahiki, Rakahanga, Danger Islands).

2. With respect to all of the above islands, except those identified in paragraph 3 below, the Joint Chiefs of Staff are of the opinion that United States strategic interests would be adequately safeguarded if these islands were controlled by a government friendly to the United States and, further, if the rights of the United States were recognized to make such use of them as United States strategic interests demanded in the eventuality of global war.

3. In the light of present and foreseeable strategic factors and from the military point of view, the Joint Chiefs of Staff consider the following islands to be of sufficient strategic importance as to warrant United States claim of sovereignty thereto:

Canton (Phoenix Group)
Enderbury (Phoenix Group)
Funafuti (Ellice Group)
Christmas (Line Islands)

The importance of these islands to the United States is predicated upon strategic use for air bases and seaplane anchorages in the maintenance of lines of communication to the Australia, New Zealand, and Malaya (ANZAM) area. United States military interests will be best served by establishment of full United States sovereignty over at least these four islands.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

Policy Planning Staff Files: Lot 64D563: Box 20034

Copy of ECA Telegram Sent to Mission Chiefs in Far East

CONFIDENTIAL

[WASHINGTON,] November 9, 1951.

Following is text of draft entitled "Action Program in Asia" prepared pursuant to final evening meeting Baguio Conference November 2. Draft submitted for consideration to Harriman¹ and Bissell² in Paris. Griffin and F.E. Mission Chiefs. Please cable any further comments on this draft to Washington by November 19.

¹ W. Averell Harriman, Director for Mutual Security (confirmed by the Senate on October 19). The Mutual Security Agency came into existence formally on December 30, 1951.

² Richard M. Bissell, Jr., Acting Administrator, Economic Cooperation Administration.

Begin text. The President has just reemphasized (in signing Mutual Security Act of 1951) "necessity of supporting free nations of Asia in their efforts to strengthen economic foundations of their independence."

However, negative language of Mutual Security Act, together with repeated efforts this year limit grant aid programs in Southeast Asia to straight technical assistance or to military support operations, warns us that true nature of crisis with which we are faced in Asia is still not widely understood. This lack of understanding today jeopardizes work already under way in Southeast Asia, and threatens nullify in practice the policy enunciated on several occasions by President.

First need therefore is for US Government define and announce an explicit set of policies which will clarify for peoples of Asia and America alike aims and objectives of US and actions it will take, in helping to strengthen economic foundations of independence in Asia and Far East.

The grand design will have to be relatively simple. It will have to be affirmative. To be successful at home, it will have to rest on concept that will appeal to the practical idealism of the American people. To be successful abroad, it will have to reflect felt needs of peoples of Free Asia, and identify American people with them in the pursuit of common purposes.

What are facts about needs and aspirations of peoples of Free Asia?

First, nearly all peoples are citizens of newly independent nations. One of greatest social and political movements in history has been change from colonial status to independence, within short space of six years, of more than one-fourth of world's population. Never in history of mankind have nine new nations emerged in so short a period of time—or under such difficult conditions. Since the war, the Philippines, Indonesia, Vietnam, Cambodia, Laos, Burma, India, Pakistan, and Ceylon have achieved the independence about which their nationalist leaders talked and fought for so long.

Second, the peoples of these new nations want rapid economic development and rising living standards. But their governments are beset by problems which they find difficult, if not impossible, to solve without outside aid. They are extremely short of technicians and administrators, as well as institutions for training them. They are unable unaided to build up and carry on even essential public services to which they became accustomed under foreign rule, much less those that are required if there is to be social stability and economic progress. They have little experience looking after needs of people, and in some cases too little inclination to do so. For some of these governments it will be difficult and for others impossible without assurance outside help to plan and carry out plans for economic improvement that might give some hope for bettering their appallingly low standards of living.

Third, in these conditions of weakness new countries of Asia are target of major Soviet and Chinese Communist power drive. Favorite Communist technique of internal subversion is at work full time to exploit natural xenophobia of independence movements, and make most of contrast between actual conditions economic distress and growing expectations of people for better life.

Our security interest thus dictates program that helps governments build their defenses against this attack from within. Objective situation in Asia dictates that such program should take form of helping independent governments get a good start on their economic development.

US has well underway in Southeast Asia programs designed tackle these problems vigorously with tools developed through several years experimentation and experience. Similar programs will soon get started in South Asia. Executive Branch has already decided (ISAC D-22/3³ and Deptel dated Oct. 20), that programs submitted to Congress next year should be essentially similar in scope and purpose to those authorized for FY 1952, and will seek any additional Congressional authority needed for this purpose. But will be necessary to focus these programs on well understood goals and objectives if we are to develop full understanding in Asia of American purposes, and achieve in US full public support that is preconditioned to success abroad.

Recommendations

1. *Policy*: President should declare as new extension US foreign policy that US proposes give particular support to *newly independent* countries to help them stand on their own feet. Such special support—technical and economic assistance on substantial scale—will be continued long enough to help these countries lay foundations for their economic development. For example: usual period might be four to five years.

This policy declaration would, of course, not replace but rather would add to existing lines of policy in foreign assistance field—in particular: (a) that we will provide Point IV aid to underdeveloped countries, (b) that we will extend assistance to countries that have associated themselves with us in defense of free world against Communist aggression, and (c) that we will also, when requested and where practicable, assist other countries whose independence is threatened.

2. *Spotlight on Asia*: President would make clear that new policy plus existing policies focus special attention on problems of South and Southeast Asia. In that region need for support of newly independent peoples overlaps our concern for security of area in face of Soviet-backed aggression, and our general interest in helping with economic development of underdeveloped countries. A special program of economic support in Asia would therefore be announced, to become part of the President's program presented to Congress in January 1952. (It should be a part, but readily distinguishable part, of MSP for FY 1953).

Area covered by this special program would run from Pakistan to Philippines. Aid to Formosa should be justified on security grounds as special case, which it is. The Middle East presents somewhat different set of problems; aid requirement there would not be related, for the region, to "newly independent countries" doctrine, though new policy would constitute an excellent rationale for large aid program for Israel.

³ Not printed, but see footnote 4, p. 99.

Military-support economic programs of various types would be associated with these "pure" economic programs in some countries, making total volume aid somewhat larger. But military-support component would never be in substitution for aid extended under "newly independent countries" policy.

Moderate economic support assistance to Thailand, which is not "newly independent", would be justified as aid to fully committed Asian friend on account of security threat in Southeast Asia region.

3. *Action*: Announcement these policies should lead to two kinds of action:

(a) For FY 1953: *Promotional steps designed to get a one-year extension of present type of Title III programs approved by Congress* (as part of next year's MSP); but designed at same time to bring home to Congress and American people need for longer-term program. With election already influencing Congressional actions, it is probably not feasible to develop public support this winter for a four or five year program. Moreover, starting so late it would be most difficult to put together a sufficiently convincing program. Continuation of FY 1952 programs for another year will pay considerable dividends in itself and will enable preparatory work for following year to be done carefully enough to be successful.

(b) *For the Longer Pull: Programming of a four-year program starting with FY 1953.* Based on President's announced policies, US economic missions would develop with each country goals or objectives to be achieved within four-year period, action to be taken to reach them and probable cost. It will be especially important to state in as concrete form as possible what needs to be accomplished in order to construct foundations of economic development—i.e., conditions necessary to real stepping up of per capita production and income. The major objectives of program may be expressed as institutional goals or (where feasible) in quantitative terms. In case of each major country objective *all* types of action and aid, whether financed by local government or by outside sources, and whether consisting of personal services or supplies and equipment, should be regarded as part of a single plan of action to reach objectives.

One result of this programming work should be a "price tag" that will give everybody concerned, here and abroad, sense of amount of grant and loan funds US is prepared to invest in this enterprise. In early years, relatively more grant funds will be required. But grants can subsequently decline in proportion until, after end of four-year period, further outside assistance for economic development can in most cases take form of loans. *End text.*

None of above is, of course, to be discussed with governments at this stage.

WOOD ⁴

⁴ C. Tyler Wood, Associate Deputy Director, Mutual Security Agency.

INR Files

*Memorandum by the Central Intelligence Agency*SECRET
NIE-43

[WASHINGTON,] 13 November 1951.

NATIONAL INTELLIGENCE ESTIMATE¹

THE STRATEGIC IMPORTANCE OF THE FAR EAST TO THE USSR*

THE PROBLEM

To assess the immediate and long range strategic importance of the Far East† to the USSR.

CONCLUSIONS

The USSR derives numerous and substantial military and economic advantages from the areas of the Far East now under Communist control. This vast, continuous land mass provides valuable bases for launching attacks against the non-Communist Far East and for further political penetration of adjacent areas, and also provides defense in depth to the USSR. Furthermore, it contains a tremendous manpower potential and considerable, though largely undeveloped, resources of strategic raw materials.

2. The loss of Communist control over any presently-held areas would be regarded by the USSR as a blow to its prestige, and the loss in particular of Manchuria, North China, and/or the northernmost part of Korea, would be regarded as a threat to its security.

3. The expansion of Communist control over all of Korea would provide the USSR with the most favorable base for operations against Japan and would deny the West its last foothold on the Northeast Asian mainland.

4. Communist control of Taiwan would not only eliminate the last territorial stronghold of anti-Communist China and the threat which the island now poses as a base for possible military operations against mainland China, but would deprive the West of a link in the offshore island chain and increase Communist capabilities for operations against other island bases.

¹ For information on the National Intelligence Estimate series, see footnote 3, p. 469.

*For the purposes of this estimate, it is assumed that the USSR and Communist China will subordinate any differences in their strategic assessment of the various areas of the Far East to the pursuit of their common objectives against the West. An estimate of possible divergencies between Moscow and Peiping is in preparation. [Footnote in the source text.]

†Throughout the paper, the term "non-Communist Far East" will be used when referring to South Korea, Japan, the Ryukyus, Taiwan, and Southeast Asia (the Philippines, Indochina, Burma, Thailand, Malaya, and Indonesia). The term "Far East" will include the above-mentioned areas as well as Communist China, North Korea, and the Soviet Far East (east of and including the lake Baikal area). [Footnote in the source text.]

5. Militarily, the expansion of Communist control into mainland Southeast Asia would be of limited immediate value. Over the long range, Communist control over mainland Southeast Asia, particularly if extended to include Indonesia and the Philippines, could be of great military importance to the USSR.

6. From an economic point of view, control of Southeast Asia would be of considerable strategic importance to the Communists by increasing their capabilities for weakening the West through denying food to India and Japan and denying strategic raw materials to Japan and the industrial countries of the West. Short of general war, such denial would have most serious consequences because Western countries would find it difficult to adopt sufficiently drastic emergency measures. In time of general war, the West would probably initially suffer less through such denial than it did during World War II; it is impossible, however, to estimate the effects in the event of a prolonged war.

7. The rubber of Southeast Asia is a continuing requirement for the USSR. Denial of access to this rubber would oblige the USSR to draw on stockpiles now believed to exist. Such denial over a prolonged period would create serious problems for the USSR. Furthermore, access to rubber, tin, petroleum and possibly other materials of Southeast Asia would be important to the conduct of a prolonged war by the USSR and would be even more important to a major industrial expansion in a Communist Far East.

8. Of the Far Eastern areas not now under Communist control, Japan is of the greatest strategic importance to the USSR. Japan poses the greatest potential threat to Communist military interests in the Far East and is a key element of the US defense line in the Western Pacific. Moreover, Japan, despite serious deficiencies in food and raw materials, would be an important addition to Communist strength because it has the only substantial industrial plant and the largest pool of trained workers and administrators in the Far East. Finally, it would be an essential element in the realization of the region's potential for long range development into a strong, largely self-sufficient power complex.‡

9. The possibility of creating such a power complex is probably an important factor in Soviet long-term planning. If such a complex were created, it would in time of war greatly enhance the ability of the Communists to maintain sustained and large scale military operations in the Far East. Moreover, it would add greatly to the Soviet poten-

‡By "power complex" is meant a country or group of closely associated countries with an aggregate of political, economic, and military strength sufficient to exert a significant influence on the world power situation. [Footnote in the source text.]

tial for breaching remaining US Pacific defenses and for attacks against the US and Australia.

10. The USSR would encounter important but not insurmountable economic and political problems in developing such a power complex in the Far East even after it secured control over all areas of the region. In time of peace, the development of this complex would almost certainly require a decade or more; in wartime little progress toward that development could be made.

11. Therefore, in its assessment of the strategic importance of the Far East, the USSR is probably more influenced by short-term than by long-term considerations. Any partial expansion in this area, in addition to materially increasing Communist capabilities for gaining control of the entire region, would have such consequences within the framework of East-West relations as: (1) strengthening the Soviet global position relative to that of the West; (2) endangering US Pacific defenses; (3) draining Western resources; and (4) impairing Western measures to strengthen Europe and the Middle East.

DISCUSSION

I. Geographic Factors of Strategic Importance

12. The Far East is far from the major Soviet power centers in western and central USSR. A single railroad line, an inadequate merchant marine, and air transport over vast distances provide the only means of communication between European Russia and Asia. Thus, poor communications presently limit the direct contribution either region can make to the other.

13. The security of the centers of Soviet power west of Lake Baikal cannot easily be threatened from Far Eastern areas now in non-Communist hands. European USSR is secure from ground invasion launched from the east. That part of the USSR most vulnerable to bombing attacks from the Far East (the area from Lake Baikal eastward) probably contains less than 15 percent of the USSR's primary industrial capacity (see Map III).²

II. Strategic Importance of Areas Now Under Communist Control

14. The maintenance and consolidation of the present Communist position in the Far East is probably the most important consideration in the Kremlin's strategic assessment of that area. Over and above any positive strategic advantages provided by presently-held Communist areas, the loss of Communist control over any presently held areas, would be regarded by the USSR as a blow to its prestige, and the loss in particular of Manchuria, North China, and/or the northernmost part of Korea, would be regarded as a threat to its security.

² Not reproduced here.

Soviet Far East and China

15. Areas now under Communist control provide the Kremlin with numerous and substantial strategic advantages. The Soviet Far East provides the USSR with air and naval bases from which attacks can be launched against South Korea, Japan, Alaska, and the US. Communist China, in addition to providing defense in depth for the Soviet Far East, has air bases which permit long range aircraft to strike at Japan, the Ryukyus, Taiwan, the Philippines, the Mariannas, mainland Southeast Asia, and all except the extreme eastern and southern areas of the Indonesian archipelago. (See Map II.³) China's long coast line also offers potential for naval bases—especially submarine bases—which could extend the USSR's naval operations in the Pacific. From a defensive point of view, however, the coast of China could impose a formidable commitment upon the USSR in view of the very limited Chinese Communist naval forces. Communist China's large and fairly well equipped army and air force are now an important adjunct to Soviet forces in the Far East. In the event of general war, the enormous population of China would supply the Communists with a tremendous pool of manpower for either labor or military service. The amount of manpower drawn into the military services, however, would be subjected to limitations imposed by the requirements of the Chinese economy and the ability of China and the USSR to equip such manpower.

16. Both the Soviet Far East and Communist China have natural resources, most of which have not yet been fully developed but which are even now playing an important role in increasing the Communist war potential in the Far East. Large quantities of coal are located in the Soviet Far East and in Communist China. There are abundant deposits of iron ore in China and probably also in the Soviet Far East. China is already supplying a large part of the Soviet requirements for tin, tungsten, and molybdenum, and deposits of nickel and copper are located in the Soviet Far East. This area also has large lumber resources. Oil deposits exist in the Soviet Far East and in Northwest China.

Korea

17. The USSR almost certainly regards maintenance of Communist control over at least large areas of North Korea as of great strategic importance. Loss of the northernmost part of Korea would be regarded by the Communists as a threat to the security and a blow to the prestige of both the USSR and Communist China. On the other hand, Communist control over all of Korea would furnish the Communists with the most favorable base for an attack on Japan, and would provide

³ Not reproduced here.

defense in depth for North China, Manchuria, and the Soviet Far East.

III. *Strategic Importance of Non-Communist Areas*

Taiwan

18. Political considerations currently give Taiwan special significance to Peiping. Control of the island would also provide the Communists with some economic advantages, but Taiwan's principal significance arises from the threat that it now poses to the Communists as a base for military operations against mainland China or raids on Communist shipping. Communist control of Taiwan would not only eliminate this threat but would deprive the West of a link in the offshore island chain and increase Communist capabilities for operations against such other island bases as Okinawa and the Philippines.

Southeast Asia

19. Militarily, the expansion of Communist control into mainland Southeast Asia would be of limited immediate value. Communist control of mainland Southeast Asia would provide defense in depth to China's southern flank, but present Communist capability for making use of even the few naval and air bases in mainland Southeast Asia is limited. Furthermore, overland and sea communications with bases in the area would be inadequate and would be vulnerable to Western attack. Even if control were extended to the Philippines and Indonesia, the Communists could gain few immediate military advantages, because neither the mainland nor the island area of Southeast Asia possesses a significant pool of trained military manpower or more than a negligible munitions production capacity. Defense of all Southeast Asia would present formidable difficulties because of the great distances involved, and inadequate Soviet and insignificant Chinese Communist naval forces and merchant shipping, and the obstacles to developing strong defenses from the present resources of China and the Soviet Far East. Over the long run, however, many of these deficiencies could be overcome and Communist control over the entire area would provide great military advantages because such control would provide protection to lines of communication in Southeast Asia and advanced bases for further offensive action in the South Pacific and Indian Ocean areas.

20. In their short run strategic assessment of Southeast Asia, therefore, the USSR is probably more influenced by the immediate advantages to be gained by denying the West access to the area than by the immediate military advantages which would accrue to them. Southeast Asia is currently the major Western source of natural rubber, tin, and copra, as well as a secondary source of hard fibers, shellac, chrome, and petroleum. It is also a major source of food for India and Japan. Short of general war, the Western Powers would have most serious

problems in adjusting to the loss of Southeast Asian supplies because they would find it difficult to adopt the necessary emergency counter-measures. By the same token, the loss of Malaya's dollar earnings would be a severe blow to the UK and indirectly to the US. The consequent maladjustments that would be created in the strategic material and in the balance of payment positions of the NATO countries could result in a serious setback in the rate of NATO rearmament. In time of general war, the West would also face difficulties if it were denied access to Southeast Asian raw materials, although the initial consequences would be less serious than in World War II as a result of stockpiles, new technical developments in conservation and substitution, and access to alternative sources of supply. It is impossible, however, to estimate the effects in the event of a prolonged war.

21. The economic and political advantages which the Communists would derive from control over Southeast Asia would increase as a Western-oriented Japan became more independent on the markets and raw materials of this area. The Communists could also use their domination of Southeast Asia to improve their bargaining position with other non-Communist areas. For instance, Communist control over Southeast Asian food surpluses and raw materials could serve as a lever to bring India into closer association with the Communist world and to obtain relaxation of Western export controls.

22. On the other hand, the immediate positive economic contribution Southeast Asia could make to the Soviet and Chinese Communist economies would be limited by the fact that, like the Soviet Far East and China, Southeast Asia is a raw material producing and capital importing area. Nevertheless, the rubber of Southeast Asia is a continuing requirement for the USSR. Denial of access to this rubber would oblige the USSR to draw on stockpiles now believed to exist and over a prolonged period would create serious problems for the USSR. At present, the USSR and Communist China are obtaining few other strategic materials from Southeast Asia. Present Soviet import requirements of tin can be met from Communist China. Moreover, the rice surpluses of Southeast Asia are normally not urgently needed by Communist China or the Soviet Far East. Access to the rubber, tin, petroleum, and possibly other materials of Southeast Asia, however, would be important to the conduct of a prolonged war by the USSR, and would be even more important to a major industrial expansion in a Communist Far East.

Japan

23. Of the non-Communist areas of the Far East, Japan is of the greatest strategic importance to the USSR and Communist China. Japan poses the greatest potential threat to Communist military interests in the Far East. Japan is the principal operational base for UN prosecution of Korean operations. More important, from opera-

tional bases in Japan, anti-Communist forces dominate the approaches to the Soviet Far East and northern China and could attack by air or sea all major industrial and military targets in the Communist-held areas of the Far East. As long as Japan provides the US with military bases, the ability of the USSR to attack the US from the Soviet Far East would be sharply curtailed. Conversely, under Communist control, Japan would pose the greatest threat to the US position in the Western Pacific.

24. Japan also possesses the only significant industrialized economy in the Far East as well as the largest pool of skilled workers, technicians, and administrators. Its steel production capacity is nearly 25 percent that of the USSR, it has considerable facilities for the construction of naval and merchant vessels, and, in time, it could re-establish a substantial aircraft and munitions industry. The industrial plants in the Soviet Far East, Manchuria, and China, though small in relation to that of Japan, comprise the only other important industrial elements in the Far East.

25. A Communist Japan could play a key role in the development of the Chinese Communist economy and could supply Southeast Asian requirements for consumer and capital goods. However, exploitation of Japan's industrial plant would require imports of iron ore, coking coal, manganese, and tungsten, available in China, as well as such other raw materials as rice, petroleum, tin, and rubber from Southeast Asia.

IV. *Overall Regional Considerations*

Potential for Development into Power Complex

26. The addition of virtually all the non-Communist Far East to presently-held Communist areas would provide the USSR with a combination of countries which, potentially and over the long run, could be developed into a strong industrial and military base largely independent economically of western and central USSR and capable of exerting a significant influence on the world power position.

27. Creation of such a power complex would greatly enhance the ability of the Communists to maintain sustained large scale military operations in the Far East. Communist control of the region would deny the resources of the area to the West, and would add enormously to Soviet prestige throughout the world. Moreover, such a complex, by adding greatly to Soviet capabilities for breaching remaining US Pacific defenses and for attacks against the US and Australia, would pose a severe additional drain on US strength.

28. Even if the Communists were able to secure control of the entire Far Eastern area without provoking a general war, however, they would probably require at least a decade, after such control had been obtained, to develop such a power complex there. The area might be

short of petroleum for some time even with full access to Indonesian oil. Dependence on western and central USSR and on the non-Communist world for certain raw materials such as cotton and for highly specialized industrial items could not be quickly ended. With the exception of Japan, the region is deficient in technicians and skilled industrial workers. Above all, owing to Japan's economic dependence on both China and Southeast Asia, full realization of the area's potential would require construction of a large merchant fleet, as well as the naval and air strength to defend the long and vulnerable lines of ocean communication (see Map I).⁴ In time of peace, all of the deficiencies could be removed, but only after years of effort.

29. The creation of a Communist-controlled Far Eastern power complex would also confront Moscow with the difficult, though not insurmountable, problem of working out the future relationships of the USSR, Communist China, and a Communist Japan. A Communist Japan and Communist China would almost certainly vie with each other for leadership in the Asian Communist movement as well as in the exploitation of the more backward areas of the Far East. The fact that Japan would be a primary industrial base of the Communist Far East, combined with Japan's modern experience with administering a "co-prosperity sphere," would threaten China's position and influence in the Asiatic Communist movement. The problem of delineating or restricting areas of influence could strain Sino-Soviet as well as Japanese-Soviet relations. Thus in integrating the Far East, the USSR would be confronted with control problems far more difficult than those it faces in the small states of Eastern Europe. Vast distances, inadequate communications, and the pressures of enormous populations on undeveloped resources would further complicate the problem of maintaining effective control over the region and of preventing the emergence of independent Communist movements.

30. Despite these difficulties, the USSR is probably influenced in its long range strategic assessment of the Far East by the region's potential for being developed into a strong, largely self-sufficient power complex. Communist expansion into any area of the Far East would materially increase Communist strength in the area and Communist capabilities for gaining control of the entire region and thus would be a step toward achievement of this power complex.

The Region's Role in Current East-West Relations

31. In addition to being influenced by these strictly Far Eastern considerations, the USSR is probably more influenced in its strategic assessment of the area because of the opportunities which it affords in the immediate framework of East-West relations for strengthening the Soviet global strategic position. Conditions in the Far East are

⁴ Not reproduced here.

favorable to the Kremlin in its campaign to divide and weaken the non-Communist world. The fighting in Korea and throughout South-east Asia, as well as such issues as the Japanese Peace Treaty and the recognition of Communist China, can be exploited in an effort to undermine faith in the UN as an instrument for preserving world peace. These issues can also be used in attempting: (a) to increase non-Communist fears of the inevitability of war unless an accommodation is reached with the USSR; and (b) to create conflict between the US and its Western European allies over the diversion of US strength to the Far East.

32. In addition, the nationalism, poverty, and distrust of the West prevalent in the Far East provide the Communists with propaganda opportunities for eliciting the support not only of peoples in the Far East but even of other areas of the non-Communist world. These conditions also make the Far East one of the most vulnerable areas of the world to Communist expansion by political warfare and serve the Kremlin in its campaign to drain Western resources, and to obstruct Western measures to strengthen Europe and the Middle East.

740.5/11-2151 : Telegram

*The Acting Secretary of State to the Secretary of State, in Rome*¹

TOP SECRET

WASHINGTON, November 21, 1951—7:07 p. m.

PRIORITY NIACT

Tosec 55. Brit Emb presented Oct 30 *aide-mémoire*² recommending mtg US, UK, Fr Chiefs of Staff during NATO mil mtg Rome to consider recommendations Singapore Conf and formulate policy and recommendations to respective govts. *Aide-mémoire* observes operational aspects Singapore Conf recommendations require outside reinforcements in event Chi Commie aggression SEA and thus suggests desirability relating defence SEA to global defense. *Aide-mémoire* also recommends inclusion Australia, NZ and Canada in conf. Fr Emb Wash advised Dept Fr Govt had received identical *aide-mémoire* and wished to associate themselves with the Brit in recommendations. Defense replied on 19 Nov to Dept's request of 1 Nov² transmitting Brit *aide-mémoire* as fols:

“Present US policy toward IC is to support the anti-Commie forces in that area by all means short of the commitment of US troops. In view of this policy, no advantage, from the mil point of view, eld ac-

¹ The Secretary of State was in Rome for the Eighth Session of the North Atlantic Council which convened on November 24. Documentation on the Rome Conference is scheduled for publication in volume III.

² Not printed.

crue from US participation at this time in multi-lateral staff talks concerning the provision of reinforcements for the defense of SEA, and the relation of that defense to global strategy. Joint Chiefs of Staff have therefore advised me that they decline the invitation of the Brit Govt."

Late p. m. Nov 19 Brit Emb Wash, upon being advised sense of Defense reply, stated it was under instr Brit Govt to propose to Dept that "there shall be at least an informal discussion at Rome of an agenda for a future tripartite Chiefs of Staff meeting on the defense of SEA at the earliest convenient opportunity, possibly in conjunction with the next mil comite meeting." Fr Emb Wash made identical proposal morning Nov 20.

Brit *aide-mémoire* as well as Fr and Brit proposals of Nov 19 discussed by Dept officers with JCS Nov 21. Dept reps observed that questions raised by proposals embodied Brit *aide-mémoire* Oct 30 fall into two categories: (a) those relating local strategic and tactical matters e.g., resources necessary to hold area against Commie aggression, source such resources, second line of defense in event IC falls (southern IC plus Siam or Kra Isthmus or Indo); (b) broader questions which Brit and Fr may hope discussions wld lead to e.g., unified command in SEA, relation defense SEA to possible global combined chiefs of staff system. Dept expressed view useful information might be adduced by participating in discussion of questions of character identified in first category.

Dept predicates its affirmative position foregoing on (a) political, economic and strategic importance of area, particularly IC as key-stone defense and Indo source of oil to replace short-fall from Persian Gulf; rubber and tin if SEA mainland gone; (b) opportunity provided examine Brit responsibility Burma where conditions rapidly deteriorating. Dept keenly aware however concomitant dangers of discussions leading to an increase in our burden in SEA.

During mtg tel from Gen Bradley³ was read in which Bradley said he had been questioned by Fr and Brit opposites Rome his willingness to discuss recommendations reached at Singapore in May. Bradley took position that matter not one for consideration by standing group and advised Defense that he, Fr and Brit colleagues agreed that decision further to discuss defense SEA shld rest with FonMins and Defense Mins US, UK, Fr upon their arrival Rome. Dept officers stated they considered reply to Fr, Brit proposals Nov 19 as impossible in light of pending discussions FonMins and Defense Mins at Rome. Joint Chiefs agree.

In view complexity problem, need for preparations for suggested conversation and other reasons Dept inclined to suggest desirability

³ Not found in Department of States files.

holding Tripartite Conf on polit level with mil advisers within next thirty days either in western Europe or US. If however Secy prefers to participate such discussions Rome Dept will send Lacy to brief him. Urgent reply requested.⁴

WEBB

⁴ In telegram Secto 110, November 29, Secretary Acheson informed the Department that the question of Southeast Asia had not been discussed at the Conference and that there existed no plans to raise the issue (740.5/11-2951).

490.008/11-2651

The British Embassy to the Department of State

TOP SECRET BY SAFE HAND

Ref. 11941/5/51G

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom have decided to take the following steps to implement the recommendations for action to suppress contraband arms traffic in South-East Asia, which were contained in the report of the Tripartite Military Staff talks held at Singapore in May 1951:—

(i) *Indonesia.*

His Majesty's Government have noted the efforts made by the Indonesian Government to purchase considerable quantities of arms from various countries. They will do what they can to prevent Indonesian stock-piling of arms by exercising very strict control, by means of the export licensing system, over all Indonesian attempts to buy arms in the United Kingdom. The supply of arms will be facilitated only when His Majesty's Government are satisfied that they are essential for the maintenance of internal security in Indonesia. The Indonesian Government have been informed of His Majesty's Government's policy.

(ii) *The Philippines.*

The export licensing system will be used to prevent the supply of any arms or military equipment to the Philippines from the United Kingdom. It is understood that the Philippines obtain such arms as they need from the United States.

2. His Majesty's Government hope that the United States Government will be willing to take similar action to prevent the purchase of more arms from the United States by Indonesia and the Philippines than they appear to need for the purpose of maintaining internal security. In the case of Indonesia the best way of obtaining the required control would seem to be by consultation between the two Governments on any substantial order which the Indonesians might

wish to place, and His Majesty's Government hope shortly to put forward proposals for such consultation, not only in the case of Indonesia but of all other South-East Asian countries.

3. His Majesty's Government also propose that the other members of the North Atlantic Treaty Organisation and the Commonwealth countries which are not members of the N.A.T.O. and perhaps also the Governments of Switzerland and Sweden should in due course be advised of the dangers of excessive arms purchases by Indonesia and the Philippines, and asked to take appropriate steps to ensure that these two countries do not accumulate more arms than they require. Should the United States Government agree in principle that an approach on these lines should be made, His Majesty's Government will be prepared to draft a paper to serve as a basis for such an approach and would propose to include in it suggestions for consultation between the arms supplying countries about arms orders from all the South-East Asian countries.

4. His Majesty's Government would be glad to know if the United States Government agree to the proposals set forth in paragraphs two and three above.

5. A similar communication has been addressed to the French Government.

WASHINGTON, 26 November, 1951.

890.00/11-2751

*The Acting Assistant Secretary of State for Far Eastern Affairs
(Allison) to the ECA Assistant Administrator for Program
(Cleveland)*

CONFIDENTIAL

WASHINGTON, November 27, 1951.

DEAR HARLAN: Your letter of November 8, 1951 to Dean Rusk with which you enclose a paper entitled "Action Program in Asia"¹ has received considerable attention and thought here in FE. While no exception can be taken to the importance which your paper places on the Asia problem, nevertheless we are considerably concerned at what seems to be the rather far-reaching nature of some of the specific proposals.

The introductory part of the paper, particularly the second point raised, certainly implies that the United States Government should assist the new governments of Asia with large plans for economic improvement which, as the paper says, might "give some hope for bettering their appallingly low standards of living". This statement seems to be at variance with statements made by Mr. Bissell in the

¹ The letter is not printed; for the text of the paper, see p. 103.

talk he gave in New York before the Far East Council of Trade and Industry on October 19, when in speaking of some of the problems in Asia, particularly that of raising the standard of living, he said, "I believe it to be a fundamental principle of our strategy that the United States Government and United States resources cannot be used to make a frontal attack on these problems." He went on to say, "All we can hope to do is to help the governments and the people of these countries to discharge a responsibility which is rightfully theirs and which must inevitably in any case be theirs because of the physical facts and circumstances. We could not afford an amount of aid that would make a dent in the standard of living."

The third point mentioned in the introductory pages of your paper emphasizes that these new countries of Asia are the targets of a major Soviet and Chinese Communist power drive and the paper goes on to say that the favorite Communist technique is "to exploit the natural xenophobia of independence movements". No one can disagree with this statement, in fact the Department of State has been operating on that assumption in all its work in Asia. However, it seems to me that a program of the nature and scope proposed in the ECA "Action Program in Asia" cannot help but contribute greatly to the ease with which the Communist propaganda can exploit "the natural xenophobia of the independence movements". Programs of the nature implied in the ECA paper would unquestionably call for a large degree of control over foreign governments' economies by American advisers and technicians and there would be great danger that the natural xenophobia of these newly independent governments would be directed squarely at the United States. There have already been definite evidences of this in Indonesia for example. In that country the Indonesian Government has shown definite alarm at the large number of Americans in Indonesia and apparently take the position that having just evicted the Dutch imperialists and colonists it does not desire to come under the sway of American colonists, even those who come with the best motives.

It also appears that the program outlined in your paper oversimplifies the nature of the problem in Asia by apparently treating all of the various countries alike, at least in broad outline. In Europe, where the ECA has operated with considerable success and efficiency, there was a generally stable area to work with where most of the countries concerned have common tradition and similar problems. This is not so in Asia where we have to consider all types of countries, from highly industrialized ones such as Japan to satrapies in Borneo. While the two countries which I have just mentioned are not involved directly in the program you envision, nevertheless no program for any part of Asia can disregard the influence of such factors.

With respect to the specific recommendations in the paper under reference, we take special objection to Point One wherein it is proposed that the President "declare as a new extension of United States foreign policy that the United States proposes to give particular support to newly independent countries to help them to stand on their own feet". Such a statement would, it seems to us, make impossible the normal functioning of diplomacy and would place a weapon in the hands of the other countries which could be used against us at any time. I cannot help but wonder what the result would have been in the Philippines if at the time of the Bell Mission recommendations there had been an announced United States policy that newly independent countries would receive particular support on a substantial scale from the United States and that this support would be "continued long enough to help these countries lay the foundations for their economic development". I think the answer is obvious.

I find it difficult to understand the exact meaning of the sentence in numbered paragraph two of the recommendations where it is said "in that region (Asia) the need for support to newly independent peoples overlaps our concern for the security of the area in the face of Soviet-backed aggression and our general interest in helping with the economic development of underdeveloped countries". You further say in the same section that aid to Formosa "should be justified on security grounds as a special case, which it is". It seems to me that all aid to any of these countries in the Far East under present world conditions must be justified on security grounds. With actual fighting going on in both Korea and Indo-China on a large scale and with the possibility of further military activity always with us, it does not seem to me that any aid to any country can be justified unless it can be shown that it will contribute to the security of the United States. I do not mean that the word "security" should be interpreted in a narrow sense and certainly the provision of economic and technical assistance is one of the most effective methods of insuring that security. However, the tone of the paper in question certainly gives the impression that aid should be given to the under-developed countries of Asia whether or not in any particular case it would contribute directly to United States security.

The result of adopting the program outlined in the paper under reference would seem to be that the United States Government would be projected into a virtual partnership responsibility with each of the governments concerned to raise their respective standards of living, per capita income, etc. The program also seems to ignore current Congressional attitudes with respect to enlarging American financial commitments and responsibilities in Asia and the disastrous consequences of failing to make good on our promises.

I regret that we appear to be taking such a negative attitude toward your proposal, but we do feel strongly that the adoption of such a program would open a vast Pandora's box with untold consequences to the United States Government. As you know, the Department of State has been in the forefront in recommending definite projects for economic and military aid to the nations of Asia whenever in our judgment such programs would contribute to the foreign policy and security interests of the United States. In fact the Department of State argued in vain for some time before the true needs of Asia were accepted by other agencies of the government, and there can be no question with respect to our recognition of the importance of the task to be done. We do feel that the most efficient use of the available resources can be made by taking a close look at the various individual programs and tailoring them to meet specific needs in specific countries rather than a grandiose scheme which would be regarded both in the United States and the countries concerned, and again I quote Mr. Bissell's speech in New York, as "beyond their means and beyond ours".

I was surprised to have called to my attention the other day the fact that ECA had cabled this program out to the various missions in Asia with the request for their comment without any indication that such a program had neither been cleared through the Department of State nor sent forward with its knowledge. Under the circumstances I have felt it necessary to have a brief message sent to the missions concerned informing them that the program had been forwarded without the knowledge of the Department of State and that the Department had definite reservations with regard to its acceptability.

I will be glad to discuss this matter with you personally at any time and I know that the officers of FE will be only too glad to go over the details of particular programs with your people whenever you desire.

A copy of your letter and this reply is being furnished to Mr. Ohly, Acting Director of Mutual Security.

Sincerely yours,

JOHN M. ALLISON

FRC Lot 53A441 : ECA Deputy Administrator's Files

*The ECA Assistant Administrator for Program (Cleveland) to the
ECA Acting Administrator (Bissell)*

CONFIDENTIAL

[WASHINGTON,] December 5, 1951.

Subject: Meeting yesterday with John Allison

At a meeting yesterday with John Allison, Bill Lacey and Livey Merchant, which Ed Arnold, Bob Blum¹ and I attended for ECA, I think we managed to take most of the curse off of John Allison's letter to me of November 27.²

¹ Robert Blum, Special Assistant to the Assistant Administrator for Program.

² *Supra*.

I will just mention that we made the following points :

(a) We are not making or planning to make a "frontal attack" on living standards in Asia.

(b) We are not proposing any larger degree of "control over foreign governments' economies by American advisers and technicians" than we have already undertaken in current programs, which is pretty small.

(c) We have no intention of "treating all the various countries alike" and our operations and programming are the best evidence of this.

(d) On reflection, and after discussion in ECA/Washington, I was inclined to agree that the giving of support to newly independent countries should not be highlighted as a new extension of U.S. foreign policy, but should be presented as one of the reasons for the weakness of governments in the area and therefore a reason for U.S. interest in strengthening governments so they can survive in a Kremlin-infested world.

(e) We rejected the implication in the letter that we never give aid without any strings attached.

(f) We do not contemplate a "virtual partnership" with countries to raise their standards of living, though joint administrative arrangements are useful in making sure that assistance is used in the most effective manner.

In addition to these negative points, we tried to bring out the reasons for the program, the importance of limiting the duration of each country operation, and the great importance, in the initial period, of "catalytic grants" for getting the activities going that governments can and will continue after grants have ceased. We also re-emphasized our belief in loans as the main instruments for financing outside costs (and to some extent internal costs) of economic development.

Although the Far East people were not enthusiastic about having any policy statement at all on this subject, Merchant supported our suggestion that there should be a statement of general policy which can be used both in the U.S. and in Southeast Asia to indicate the methods and modifications of U.S. economic and technical aid programs in that part of the world. It was therefore agreed that we would revise the "Action Program in Asia"³ paper with a view to agreeing [on] a revised draft with the State Department during the next week or two.

We then went on to discuss the specific programs. No real objection has been raised so far except to the size of the Philippine program and to the existence of most of the Indonesia program. Although the discussions on this subject are not yet completed, I think the best we will do on Indonesia is a compromise proposal which Livey Merchant suggested. Under this compromise, we would continue the pro-

³ See telegram dated November 9, p. 103.

gram next year at a level somewhat lower than this year's program, and would achieve the reduction from the proposed \$11.5 million program mostly by cutting out supplies and equipment of various kinds. As you know, it is Ambassador Cochran's view that there should be no program at all and John Allison expressed the personal opinion that the program should be limited to the J. G. White operation⁴ and some technical assistance in the fields of education and public administration. With Merchant's support, we brought out the point that to turn off the program now would have very adverse effects in Indonesia and possible repercussions in other parts of Southeast Asia.

In discussing the programs, I made the following suggestions about how we would handle, before the Budget Bureau and Congress, the question "how long are these grant programs going to last?"

a) No general answer can be given for the region except the statement of philosophy that grant programs should taper off in favor of increased internal revenues and increased foreign lending.

b) In Formosa and Indochina we are on a year to year basis, unable to predict the duration of the program because of the unpredictability of the military situation with which the program is associated.

c) In the Philippines, we are operating on the basis of the five-year period set forth in the Bell Report, with a predilection in favor of somewhat larger input of aid in the early part of the five-year period.

d) In Thailand, Burma and Indonesia, we are thinking in terms of a short period (3 to 4 years at the most) of grants, during which the grants would be used to help these countries get in a position where increased internal revenues and foreign investment loans can be used progressively more effectively.

There was no opportunity to discuss this proposed line at length, but it appeared to be well received.

On the whole, it was a most useful meeting and I think has cleared the air a lot.

⁴ The J. G. White Engineering Co. had entered into a 2-year contract with the Indonesian Government to survey harbors, railroad facilities, telecommunications, and various industries such as mining, hydroelectric power, and civil aviation to ascertain their potential for future expansion. ECA had financed the contract. For further information regarding the ECA program in Indonesia, see pp. 583 ff.

740.5/12-1751 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

TOP SECRET

LONDON, December 17, 1951—6 p. m.

2764. During recent brief conversation with Le Roy, Counselor Fr Emb London, who attended NATO talks in Rome last month, Emb officer informed that De Lattre highly chagrined over failure discuss

SEA defense problems, he being obsessed with prospect of Chi Commie intervention in Indochina once armistice has been arranged in Korea. Le Roy said highly probable Churchill¹ and Eden wld be urged by Fr in today's talk following matter up during Washington talks next month.²

At FonOff this morning Emb officer broached subject with Scott³ who expressed informal views about SEA as follows:

On Far East specialist level, in both Paris and London, there was general feeling that it wld be highly desirable have a general review of SEA problems, and that three principal western nations shld attempt coordinate their thinking and planning. If there is to be a containment of Chi Commies it shld be consistent: They were being contained in Korea; mutual security arrangements were being worked out between US and Jap and US and Phil; Formosa had been sealed off by action by Seventh Fleet and US military assistance to nationalist govt; but no similar steps had been taken to ward off Chi Commie expansion southward. Neither UK nor Fr, anymore than US, were anxious to take on any additional military responsibilities in Asia, but certainly no harm wld come of exploratory talks on political problems involved leading perhaps to joint military study of such questions as logistics, prevention of arms smuggling, defensibility of Indochina, Thailand and Burma, what SEA nations cld be expected to contribute, their will to resist, man power needed from Western nations and sources of man power, etc. Any such discussions, it was emphasized, wld be exploratory in nature and no attempt wld be made commit participants to any particular course of action.

Scott said that so far as he knew no thorough Ministerial consideration had been given to problem here and it was his impression Schuman not entirely sold on it. If however, Schuman did raise issue in today's talks in Paris⁴ it was quite possible Churchill, influenced in part by papers already submitted to Ministers here, wld agree discuss in Wash.

Dept pass Saigon; sent Dept 2764, rptd info Paris 1285, Saigon 16. Deptel 3517, Dec 15 to Paris, rptd London 2941, Saigon 803.⁵

GIFFORD

¹ Winston S. Churchill, Prime Minister of the United Kingdom since October 26.

² Prime Minister Churchill met with President Truman in Washington on January 7-8, 1952. Information on the origins of this conference is scheduled for publication in volume IV.

³ Robert H. Scott, Assistant Under Secretary of State for Foreign Affairs, British Foreign Office.

⁴ Prime Minister Churchill and Foreign Secretary Eden conferred with French Premier René Plevin and Foreign Minister Schuman in Paris on December 17-18, discussing various European, Middle Eastern, and Far Eastern problems.

⁵ Not printed.

490.008/11-2651

The Department of State to the British Embassy

TOP SECRET

AIDE-MÉMOIRE

The Government of the United States has received the *aide-mémoire* of November 26, 1951 setting forth the steps decided upon by His Majesty's Government in the United Kingdom to implement the recommendations for action to suppress contraband arms traffic in Southeast Asia which were contained on the report of the Tripartite Military Staff talks held at Singapore in May 1951. The Government of the United States is most pleased that His Majesty's Government has taken the initiative in this extremely important problem affecting the peace and security of the area concerned.

With reference to Indonesia and the Philippines, the Government of the United States is entirely in accord with the desire that arms purchases by these two countries should be strictly limited to such supplies as may be required for the preservation of internal security. With particular regard to Indonesia, the only arms which have been provided by the United States are the small amount which were made available to the police forces. The end use of these supplies, as in the case of all arms provided to any country in Southeast Asia under the Military Defense Assistance Program, is closely supervised by American military observers so that such supplies shall be used only for intended and previously agreed programs. The Government of Indonesia has expressed an interest in acquiring additional supplies upon a reimbursable basis. The Government of the United States, subject to availability and priorities, is perfectly agreeable to these requests in the event that the Government of Indonesia can satisfactorily demonstrate a need for the supplies and, furthermore, will agree to such supervision as may be necessary to insure their proper utilization. And of course all such arms shipments would require the usual export licenses. In this sense the objectives of His Majesty's Government and of the Government of the United States would appear to be in harmony.

With regard to the Philippines, it is the opinion of qualified American military observers that that country is now receiving from the United States all the arms it requires for the restoration and preservation of its internal peace and security. The Government of the United States is therefore gratified by the action that has been taken by His Majesty's Government and wishes to assure it that American arms now being provided the Philippines are being put to the use for which they are designed. There is of course the continuing, although drastically reduced, problem of the arms which were abandoned by Ameri-

can forces in the Philippines at the end of the war against Japan and which has in the past been a matter of serious concern. Evidence available to the Government of the United States now indicates that any illegal traffic in these arms has been reduced to such a small flow, if any, that it no longer constitutes a serious threat to the security of the area. If His Majesty's Government has any specific evidence to the contrary, the Government of the United States will be most anxious to receive it in order that proper, energetic, and prophylactic measures might be taken. The Philippine Government has been displaying every evidence of a desire to cooperate to the fullest in the liquidation of this troublesome problem.

The suggestion by His Majesty's Government that other members of the North Atlantic Treaty Organization and the Commonwealth countries which are not members of NATO, as well as the Governments of Switzerland and Sweden, should in due course be advised of the dangers of excessive arms purchases by Indonesia and the Philippines and asked to take appropriate steps in order that these two countries do not accumulate more arms than they require appears in principle to the Government of the United States to be of sufficient merit to warrant further consideration. The Government of the United States would be most pleased to give serious consideration to any paper on this problem which His Majesty's Government might wish to prepare. As suggested above in the case of the Philippines, the Government of the United States is also most anxious to receive any concrete information available to His Majesty's Government concerning illegal arms traffic elsewhere in Southeast Asia and it would hope that the proposed paper would include reference to such evidence.

WASHINGTON, December 20, 1951.

890.00/12-2151 : Circular airgram

*The Secretary of State to All Diplomatic, Technical Cooperation Administration, and Economic Cooperation Administration Far East Missions (Including South Asia)*¹

SECRET

WASHINGTON, December 21, 1951—4:40 p. m.

Joint State and ECA Message

Subject: Relationship with Japan and Production of Essential Materials.

Following is résumé current Dept and ECA thinking for general guidance and instruction all diplomatic and ECA Missions in region.

¹ Sent to Bangkok, Saigon, Rangoon, Manila, Djakarta, Singapore, Taipei, Tokyo, New Delhi, Colombo, and Karachi. Also sent to Canberra, Wellington, and London for information only.

Among US objectives in Asia are: (a) added availability short supply materials from Asia for US and free world; (b) the mitigation of pressure on US provide short supply goods to Asia; (c) a self-supporting Japan able contribute strength of free world; (d) general economic development essential to South and Southeast Asia; (e) decreased dependence of Japan and other free countries of Asia on China and other Communist dominated areas for essential foods and raw material supplies, and for market outlets particularly of strategic materials.

1. Looking toward these objectives it will be important to:

(1) develop sources essential short supply materials in Far East in free world, for instance, chrome, zinc, tungsten, copper, lead, nickel, manganese, rice, etc.;

(2) encourage increase production such materials in context of furthering general economic development Asian countries;

(3) encourage closer trading relationships among the free countries of the area;

(4) facilitate Japan's procurement essential materials, e.g., iron ore, salt, coal, without resorting to sources supply Communist China and other Soviet bloc countries to extent inconsistent with objectives of free world;

(5) increase reliance on Japanese potential contribution manufactures for US requirements and as source of manufactures short supply in US for South and Southeast Asia area countries. Equipment and material can be procured in Japan or production can be expanded in many sectors now presenting US with serious export problems;

(6) encourage Japanese contribution toward sound economic development of the whole area. Japan can provide (some perhaps under reparations) capital equipment (textile machinery, prime movers, etc.), materials such as steel necessary for economic development as well as consumption and know-how through technical assistance and training in Japan;

(7) seek maximum cooperation of Japan and other free nations in the Far East with US in enforcing effective security trade controls.

2. Japan and South and Southeast Asian countries themselves must assume responsibility for taking initiative on developments in which interested and on increasing trade. Purposes US policy will not be served by US agencies substituting themselves for what Japanese Government or South and Southeast Asian Governments or private parties should do. Continued suspicion of Japan, ill will generated by war and non-settlement reparations claims, however, stand in way implementation objectives outlined above. Assistance should, therefore, be primarily in terms attempting develop atmosphere conducive increase confidence countries concerned of mutuality benefits through cooperation and hence to carrying out specific projects and arrangements. Toward this end encouragement should be given to maximum direct dealing on specific matters between governments or parties

concerned rather than attempt serve as “broker” on specific deals. In this connection Japanese should be strongly advised as occasion arises, re their full acceptability into community trading nations, importance adherence letter and spirit last clause para 2 Preamble and Art. 12 of Peace Treaty and willingness make specific commitments this regard.²

3. US PolAd and Tokyo Field Office (ECA) in consultation GHQ SCAP will keep Washington and Missions informed:

- (a) procurement possibilities in Japan;
- (b) essential material developments of interest Japan; and
- (c) assistance Japan prepared provide for essential material.

4. You will also be informed and instructed re DMPA country projects for development essential material with direct return to US and nature relationship with that Agency.

5. Pursuant outlined objectives you should:

(a) encourage Government to which accredited deal and facilitate dealing with Japanese in conformity sense para 2 above;

(b) encourage maximum commercial procurement financed by MSA and TCA in Japan of items short supply US (ECA Missions should note limitations ECA Regulation 1 and provision Small Business Amendment—separate cable will follow);

(c) encourage maximum procurement financed country’s own funds in Japan of items short supply US and other countries free world;

(d) discourage priority demands on US economy for short supply items procurable Japan or other countries of area;

(e) determine conditions under which Government to which accredited interested developing sources essential material;

(f) when further instructed inform Government to which accredited of projects proposed by DMPA and carry out other functions as instructed which may be assigned under ECA agreement that agency;

(g) ascertain and recommend any essential development projects that would contribute achievement objectives;

(h) encourage Government to which accredited include the expansion essential scarce material production as part economic development program;

(i) make available as much as possible STEM and TCA technicians to assist or advise re projects to develop scarce materials of interest Japan and rest free world;

(j) generally assist establish better environment trade and business relationship South and Southeast Asian countries and Japan.

² Under the last clause of paragraph 2 of the Preamble, Japan undertook “to conform to internationally accepted fair practices” in public and private trade and commerce. Article 12 dealt with Japanese foreign trade. For text of the Treaty of Peace with Japan, signed at San Francisco on September 8, see TIAS 2490; 3 UST, pt. 3, p. 3169, or *American Foreign Policy: Basic Documents, 1950–1955* (Department of State Publication 6446) (Washington: Government Printing Office, 1967), vol. I, p. 425.

6. In view political sensitivity surrounding the entire concept the Japanese position FE affairs and importance avoiding impediments finalizing peace and reparation settlements it is utmost importance in countries where STEM or TCA Missions exist that STEM or TCA Mission actions be taken with concurrence of Diplomatic Mission. Although recognize importance flexibility approach, Chief Diplomatic Mission should work out with STEM or TCA Chief for general guidance, proper delimitation responsibilities para 5 and in light respective functions both Missions and keep Washington fully informed thereof.³

7. Report immediately by cable any comments foregoing instructions.

ACHESON

³ Certain other documentation regarding the interest of the ECA, the ODM, and the Department of State in coordination of the Japanese with Southeast Asian economies is in file 890.00 for 1951.

790.5-MAP/12-2751

*Memorandum by the Economic Adviser in the Bureau of Far Eastern Affairs (Gay) to the Assistant Secretary of State for Far Eastern Affairs (Allison)*¹

CONFIDENTIAL

[WASHINGTON,] December 27, 1951.

Subject: Attached paper²

The objectionable features of earlier ECA drafts on this subject are not removed. This draft still carries the thesis of long term "substantial economic assistance" (going much beyond mere technical assistance), set up in terms of specific goals such as a "substantial stepping-up of per capita income" and combining all aid into single country programs presumably to be handled by ECA. It still calls for the dramatic approach, a Presidential declaration of "particular support" for the newly independent countries of Asia and for keeping it a "readily distinguishable" part of MSA for 1953 and presumably thereafter.

This approach runs all the dangers of creating United States enslavement to partnership responsibilities, unfulfillable expectations in the minds of Asiatics, and possible political entanglements which we are not now able to envisage.

Effective assistance to these countries requires a flexible, cautious approach. While this does not preclude discreet guidance in the way

¹ Memorandum addressed also to Deputy Assistant Secretary Johnson.

² A redraft of "Action Program in Asia" dated December 13, not printed. For an earlier draft, see the ECA telegram of November 9, p. 103.

we want countries to develop, it is, I think, incompatible with the long range, single program, pre-established goal concepts still held by ECA.

The present programs can and should encourage economic development financed with funds available through other than MSA channels, but should by and large leave the particularized technical assistance that goes with economic development activities to be arranged between the government concerned, private interests, and UN agencies.³ This latter approach will, I believe, be more likely to create in the recipient countries the feeling of proper association with us toward mutually beneficial ends and by the same token run less danger of suggesting to them the will of the United States to dominate or paternalistically direct their course of development. If this be true, our desired results may more surely and quickly be achieved by this course than by that implicit in the ECA paper.⁴

³ A handwritten footnote at this point in the source text reads as follows: "Not intended to preclude J. G. White type of operations. My comments are also predicated on the assumption of no drastic change in military outlook for the area. In such case something spectacular might be in order. MG."

⁴ In a memorandum of December 27 to Mr. Allison, Mr. Samuel T. Parelman, Special Assistant in FE for Regional Programs, also commented on the December 13 redraft of "Action Program in Asia". He stated that the revision did not reflect a change in the basic position of ECA and that he was "inclined to recommend that FE maintain the position which was clearly expressed in your letter [of November 27 to Mr. Cleveland, p. 118] and that we continue to object to the proposal that the President make a policy pronouncement as recommended by ECA." (790.5 MAP/12-2751)

Neither response by Mr. Allison to these memoranda, nor indication of further discussion of the "Action Program in Asia", has been found in Department of State files.

790.5/12-2951 : Telegram

*The Secretary of State to the Embassy in France*¹

TOP SECRET

WASHINGTON, December 29, 1951—6:37 p. m.

3743. Dept is advised that Gen Bradley as Chairman JCS extended invitations Dec 28 in form of memo to Gen Ely as Chief of Fr Mil Mission Wash and Air Chief Marshal Sir Wm Elliott as Chairman of the Brit Joint Services Mission Wash to the Fr and Brit Chiefs of Staff to attend a tripartite mil conf on SEA to be held in Wash on or about Jan 14, 1952.

Highlights from the two identical memoranda fol:

- (a) Conf "to be without commitment on the part of the US JCS."
- (b) SEA must be considered in the light of the world-wide implications of the situation;

¹ Also sent to London as telegram 3118.

(c) Views of the Fr and Brit JCS as previously presented including note presented to Bradley by de Chanvigne on Nov 28 in Rome² are now under study in connection with the coming conf.

(d) JCS suggest that the conf deal primarily with discussion of measures to implement recommendations made at the Singapore Conf;

(f) [*sic*] Suggested that the Chiefs of Staff of the three nations take the opportunity of the conversations to exchange informal views with re to SEA.

(g) Detailed arrangements to be made thru consultations of the three representatives here.

You may inform the Brit and Fr Govts accordingly even though they have undoubtedly already recd notice thru mil channels.

ACHESON

²The "Note on Southeast Asia" circulated by the French at a tripartite meeting at Rome on November 28 suggested that military staff talks be held. The text of the French note was transmitted to the Department of State by the Embassy in London in despatch No. 2831, December 27, not printed. (790.5/12-2751)

INTEREST OF THE UNITED STATES IN A REGIONAL
ALLIANCE OF EAST ASIAN AND PACIFIC POWERS;
NEGOTIATION OF A MUTUAL DEFENSE TREATY
WITH THE PHILIPPINES AND A SECURITY TREATY
WITH AUSTRALIA AND NEW ZEALAND ¹

Lot 56D527 : Office of Northeast Asian Affairs

*Memorandum by the Special Assistant to the Consultant (Allison)
to the Ambassador at Large (Jessup) ²*

SECRET

[WASHINGTON,] January 4, 1951.

Subject: Pacific Pact

At Mr. Dulles' ³ request I am enclosing a draft of a possible Pacific Pact declaration which it is hoped can be discussed in Mr. Dulles' office at 11 a. m., Friday, January 5. ⁴

You will recall that in the Secretary's letter of December 13, 1950, to Secretary Marshall ⁵ the opinion of the Defense Department was requested, among other things, on the possibility of exploring at this time the creation of a Pacific Pact with our allies. Mr. Dulles, Mr. Rusk and I discussed this problem with the Joint Chiefs on the afternoon of January 3, ⁶ and not only did the Joint Chiefs agree to the Department's exploring the possibilities of a Pacific Pact, but in fact urged that it do so at the earliest possible opportunity. However, the Joint Chiefs made it clear that the Pact which they had in mind should be strictly confined to the island nations of the Pacific (Australia, Japan, New Zealand, the Philippines, the United States, and

¹ For previous documentation, see *Foreign Relations*, 1950, vol. vi, pp. 1 ff. and pp. 1109 ff., respectively. The latter compilation contains the greater part of the documentation regarding proposals which closely preceded those at the outset of the present compilation.

² Memorandum addressed also to H. Freeman Matthews, Deputy Under Secretary of State; Dean Rusk, Assistant Secretary of State for Far Eastern Affairs; Adrian S. Fisher, Legal Adviser of the Department of State; Paul H. Nitze, Director of the Policy Planning Staff; Henry R. Labouisse, Jr., Director of the Office of British Commonwealth and Northern European Affairs; and John K. Emmerson, Regional Planning Adviser of the Bureau of Far Eastern Affairs.

³ John Foster Dulles, Consultant to the Secretary of State.

⁴ No record of this meeting has been found in Department of State files.

⁵ George Catlett Marshall, Secretary of Defense. For text of the mentioned letter and its enclosure, see *Foreign Relations*, 1950, vol. vi, p. 1363.

⁶ For additional information regarding this meeting, see telegram 1000 to Tokyo, January 3, p. 778.

possibly Indonesia), and that under no circumstances should the United States get into a position in which it was committed to furnish military strength for the defense of Hong Kong. Accordingly, in the draft Pact attached hereto it will be noted that the United Kingdom is not to be a member, and this naturally raises certain problems which will have to be thoroughly discussed and considered. One of the reasons given by the Joint Chiefs for their desire for some sort of Pacific Pact which would include Australia was their belief that if Australia were re-assured as to its defense in the Pacific area it would be in a position to give more assistance to the general cause in the Middle East.⁷

Consideration of the attached draft Pact does not exclude further consideration of the possibility of accomplishing a mutual assistance arrangement among the Pacific island nations in two stages, as suggested in paragraph 4 of the memorandum accompanying the Secretary of State's letter of December 13.

It is requested that Mr. Dulles' secretary be informed (Extension 2321) as to whether or not you will be able to attend the meeting at 11 tomorrow morning, and if not whether you wish to send a representative.

[Enclosure]

Draft of a Possible Pacific Ocean Pact

SECRET

JANUARY 3, 1951.

The Governments of Australia, Indonesia(?), Japan, New Zealand, the Philippines and the United States of America recognize that their island positions in the Pacific Ocean give rise to a distinctive community of interest which makes it appropriate for them to concert together with a view to assuring their individual and collective self-defense in the Pacific Ocean area.

Accordingly:

1. With a view to protection against indirect aggression and subversion, each Party confirms its intention to preserve domestically a society of spiritual, intellectual and political liberty and public law and order such as is conducive to domestic tranquility and welfare.

2. Each Party recognizes that if there should be direct aggression in the form of armed attack in the Pacific Ocean upon any of the Parties, such attack would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its Constitutional processes. Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security

⁷ Documentation regarding the interest of the United States in the military affairs of the Middle East, is scheduled for publication in volume v.

Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

3. Recognizing that preparation is a deterrent to aggression, the Parties establish a Pacific Ocean Council, which will meet periodically, with a view to recommending such measures as may be appropriate to implement as between them the inherent right of collective self-defense recognized in Article 51 of the United Nations Charter. The Pacific Ocean Council will be available to cooperate with the United Nations Collective Measures Committee set up by the United Nations pursuant to General Assembly Resolution No. A/1481⁸ in order to maintain and strengthen international peace and security in accordance with the Purposes and Principles of the United Nations Charter.⁹

4. The Pacific Ocean Council will continue in being until the United Nations or its Asiatic and Pacific members shall have taken such measures as in the opinion of a majority of the Parties hereto make unnecessary the continuance of this particular collective self-defense arrangement. Any Party may withdraw from the Pacific Ocean Council upon one year's advance notice. Upon receipt of any such notice, the other Parties will immediately confer together to consider the situation thereby created.¹⁰

⁸ Incorrect reference in the source text to the document number, rather than the resolution number, of General Assembly Resolution 377(V) of November 3, 1950, "Uniting for Peace." For text, see Department of State, *American Foreign Policy: Basic Documents, 1950-1955*, vol. I, pp. 187-192.

⁹ For text of the Charter of the United Nations, signed at San Francisco June 26, 1945, see Department of State Treaty Series (TS) No. 993, or 59 Stat. (pt. 2) 1031.

¹⁰ A later version of this draft of agreement, dated January 9, not printed, embodies minor changes which are primarily stylistic. (Lot 54D423)

790.5/1-451

*Memorandum by Mr. John Foster Dulles, the Consultant to the Secretary, to the Ambassador at Large (Jessup)*¹

SECRET

[WASHINGTON,] January 4, 1951.

In order to facilitate the discussion of a possible Pacific Ocean Pact set for 11:00 a. m., January 5, I have prepared the annexed comment on the draft already circulated.

[Annex]

COMMENT ON DRAFT (1/3/51)² OF PACIFIC OCEAN PACT

1. *Parties*: The proposed parties are the six nations having major island positions in the Pacific Ocean. The question mark regarding

¹ Memorandum addressed also to Messrs. Matthews, Rusk, Fisher, Nitze, Labouisse, Allison, and Emmerson.

² See the enclosure to the document, *supra*.

Indonesia is suggested by doubt as to whether it would be willing to come in. It is treated as a desirable, but not indispensable party. The "major island" formula excludes the UK. This is desirable to avoid possible complication with Hongkong, which the JCS feel must be excluded. Also, if the UK is included it would be difficult not to include France, with possible complications in relation to Indo-China. Query: Would the UK be sensitive about a pact which included the US, Australia and New Zealand and did not include the UK? Could this point perhaps be met by a Pact paragraph that specifically stated that nothing therein in any way impaired the ties and obligations of the British Commonwealth relationship in so far as Australia and New Zealand are concerned?

2. Article 1 is designed with primary regard to Japan. It may be undesirable to include provisions on human rights as a *contractual* provision in a Japanese peace treaty. But it would be appropriate as a "declaration" in a Pacific Ocean Pact.

3. Article [2] is a "declaration" as distinguished from the "agreement" of Article 5 of the North Atlantic Treaty.³ The language "dangerous to its own peace and safety" is taken from the Monroe declaration. The provision that action would be "in accordance with its constitutional process" corresponds to the provision of Article II of the North Atlantic Treaty.

The reference to "armed attack in the Pacific Ocean upon any of the parties" designedly includes the possibility of attack by one of the parties, e.g. Japan, upon one of the others. It is sought in this way to meet one of the two primary purposes of the Pact, namely to give sufficient reassurance to Australia, New Zealand and the Philippines so that they will consent to a peace with Japan which will not contain limitations upon rearmament.

4. Article 3 is designed to meet the second major purpose, namely the creation of an international framework within which Japan could create military force as part of an *international* security organization rather than merely as a *national* force. This would be responsive to what seems to be the preponderant wish of the Japanese people and their leaders and might make it possible for Japan to rearm without a head-on collision with the present Japanese Constitution.

Since Japan is not, and presumably will not soon be, a full member of the United Nations, the appeal to create UN units contained in the "Uniting for Peace" Resolution does not extend to it. (Perhaps the resolution could be enlarged at the next GA session.) However, the

³ Signed at Washington April 4, 1949. For text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1964, or 63 Stat. (pt. 2) 2241.

Collective Measures Committee set up under this Resolution is instructed in its work to take account of "collective self defense and regional arrangements". Accordingly it is suggested that in the Pacific Ocean Pact reference should be made to this Resolution and the Collective Measures Committee, as this further plays up the idea that Japanese forces would be affiliated with the United Nations.

The Council has only authority to make recommendations.

5. Article 4 dealing with termination, relates only to the Pacific Ocean Council and not to the declarations contained in Article 1 and 2. These stand without any definitive terminal date. Article 1 embodies a basic principle upon which the United States society is founded, and therefore there is no occasion for us to contemplate its termination. Article 2 states a fact similar to that stated by the Monroe Doctrine and while circumstances might alter this fact, the mere lapse of time would not do so.

Two possibilities of terminating the Pacific Ocean Council are suggested :

(a) United Nations action, presumably in the form of Article 43 agreements, which would adequately cover the field.

(b) Action by Asiatic and Pacific members of the United Nations which might create a broader regional, collective security pact into which the present pact could appropriately be merged.

It is thought safe to leave the decision in these two matters to "a majority of the parties". It would be unlikely that the other parties, who get more than they give, would want to terminate the pact so long as the United States was supporting it. Also, each party is given the right to withdraw upon one year's advance notice. The theory in this respect is that in a pact of this sort continuing membership is of no real value unless it involves interested goodwill.

However, to meet the contingency that Japan might withdraw and thereby create a new and more dangerous situation, it is stipulated that upon receipt of any notice of intended withdrawal, the other parties would immediately confer to consider the situation thereby created.

6. In view of the fact that the substantive articles 1 and 2 are merely declarations and not agreements, and since the Council is merely a recommendatory body, it would not seem constitutionally necessary that the pact be submitted to the Senate as a treaty. It might, however, be practically desirable to give the Pact the added authority which would come from Senate ratification or Joint Resolution of Congress. However, the Pact is drafted so that it could probably stand merely as an executive act without any Congressional action at all.

It may be noted that the Act of Chapultepec ⁴ was cast in the form "The Governments Represented . . . Declare:" and this Act was never submitted to the Senate or to Congress.

7. In view of the inter-dependence of the Pact and the proposed Japanese peace, the United States should not become committed to the Pact unless it is assured that the other Parties will agree to the kind of a Japanese peace that the United States feels is necessary. This does not technically preclude a separate *negotiation* on the Pact, but practically there would be danger in dealing first with the Pact as public opinion in Australia and New Zealand might then treat the Pact as so assured that they would feel that they could, without jeopardizing it, revive a strong position against Japanese rearmament.

⁴ Signed at Mexico City March 8, 1945. For text, see TIAS No. 1543.

Editorial Note

On January 10, in a letter to Mr. Dulles, President Truman designated him a Special Representative of the President with the personal rank of Ambassador, and instructed him as to general policy with regard to a Japanese peace treaty and to potential defense arrangements in the Pacific area. For the text of the President's letter, see enclosure 2 (as annotated) to the letter of January 9 from Secretary of State Dean Acheson to Secretary Marshall, page 788.

There follows that portion of the President's letter which is most directly relevant to this compilation :

"You should also, in carrying out your discussions, have in mind that it is the policy of the United States Government that the United States will commit substantial armed force to the defense of the island chain of which Japan forms a part, that it desires that Japan should increasingly acquire the ability to defend itself, and that, in order further to implement this policy, the United States Government is willing to make a mutual assistance arrangement among the Pacific island nations (Australia, New Zealand, the Philippines, Japan, the United States, and perhaps Indonesia) which would have the dual purpose of assuring combined action as between the members to resist aggression from without and also to resist attack by one of the members, e.g. Japan, if Japan should again become aggressive. In connection with this latter point, the United States Government should agree to this course of action only as the other nations accept the general basis on which the United States is prepared to conclude a peace settlement with Japan.

"Your discussions will in no way involve any final commitments by the United States Government, and you will avoid giving any contrary impression." (694.001/1-1051)

743.5/1-1151

Memorandum of Conversation, by the Deputy Director of the Office of British Commonwealth and North European Affairs (Satterthwaite)

SECRET

[WASHINGTON,] January 11, 1951.

Subject: Neptune Bombers for Australia and the Pacific Pact

Participants: Mr. Makin, Australian Ambassador

Mr. Webb, Under Secretary

Mr. Colin Moody, Counselor, Australian Embassy

Group Captain C. W. Pearce, Air Attaché, Australian Embassy

Mr. Satterthwaite, BNA

[Here follows a discussion of Australian military purchases.]

Mr. Makin then said that when Spender was here¹ he had had discussions with various officials of the United States Government on the possibility of a Pacific Pact. At that time Spender was told that the United States Government was considering the subject, would continue to do so and would communicate with him at some future date. Mr. Spender wanted to know what progress there had been and was there anything we can tell him at this time. Mr. Makin said the Australian Government wanted to have a relationship with the United States the same as it had with the British. Mr. Makin repeated the Australian complaint that although it did and would participate actively in the defense of the free world and would expect to have its troops committed in various places, nevertheless it belonged to no organization where it could make its views felt. He said what the Australian really had in mind was a relationship with the United States in which the two countries recognized their obligations to defend each other from attack in the Pacific. Mr. Webb briefly reviewed Australian-United States relationships and said that he was sure the government and the people of the United States were increasingly aware of the closeness of the ties between the two countries. As we had told Spender, we were actively considering what our relations and commitments in the Pacific should be and what form they should take. We were sure there would be developments soon although we could not say yet just what they would be.

Mr. Makin left an *aide-mémoire*² representing its views on a Pacific Pact and requesting comment from the United States.³

¹ Percy C. Spender, Australian Minister of External Affairs and External Territories, had visited the United States in October and early November of 1950. For documentation regarding his conversations held in New York and Washington with U.S. officials, see *Foreign Relations*, 1950, vol. VI, pp. 141-152, *passim*.

² Of January 11, not printed. (743.5/1-1151)

³ In a note of January 16 to the Australian Ambassador, the Department of State stated in part that Mr. Dulles was considering a visit to Australia, follow-

Editorial Note

On January 11, Mr. Dulles met with members of the House Committee on Foreign Affairs to discuss with them a Japanese peace settlement and the proposal for a Pacific Ocean Defense Council. Mr. Allison's memorandum of this meeting is printed on page 790.

694.001/1-1251

*Memorandum of Conversation, by the Special Assistant to the
Consultant (Allison)*

[Extract]¹

SECRET

[WASHINGTON,] January 12, 1951.

Subject: Japanese Peace Settlement

Participants: Sir Oliver Franks, British Ambassador
Mr. Hubert Graves, Counselor, British Embassy
Mr. John Foster Dulles, S
Maj. Gen. Carter Magruder, Army²
Col. C. S. Babcock, Army³
Mr. John M. Allison

Mr. Dulles then went on to explain that in thinking how some of the problems, particularly those connected with security, might be solved, we had begun considering in the most tentative way the possibilities of some security arrangement among those nations with major Pacific island territories. Such a group, which could consist of Japan, the Philippines, perhaps Indonesia, Australia, New Zealand and the United States, might make a declaration that an armed attack on any of them would be a threat to the peace and security of each of them and that they would then consider, in accordance with their constitutional processes, what action to take. There might be set up

ing a visit to Japan, for the purpose of discussing with Prime Minister Robert Gordon Menzies and Mr. Spender a Japanese peace settlement and a possible Pacific security arrangement. The U.S. Government was approaching Mr. Menzies, then in London, regarding this possibility through the Embassy there. (743.5/1-1151) The Dulles Mission, in Japan January 25-February 11 and in the Philippines February 12-13, was in Australia February 14-19.

¹ The portions of this memorandum omitted are printed on p. 792.

² Special Assistant for Occupied Areas in the Office of the Secretary of the Army.

³ Colonel Babcock was Chief of the Government Branch under General Magruder. He had been detailed to Mr. Dulles' staff in September 1950, under an arrangement described in the memorandum of September 4, by Mr. Allison to the Secretary, printed in *Foreign Relations*, 1950, vol. VI, p. 1290.

a Pacific defense council to provide for general consultation among the powers as to how best meet their common problems. Mr. Graves raised the question whether the United Kingdom would be included in such an arrangement. Mr. Dulles explained it might be best to limit the area to the major island nations of the Pacific and that in our minds it had not been contemplated that the United Kingdom would participate. Nevertheless it would probably be possible and perhaps desirable to arrange for some form of consultative cooperation between the United Kingdom and the other signatory members to the arrangement. Any fuller participation by the United Kingdom might immediately raise the question of bringing in France, the Netherlands, and Portugal, which might not be desirable at this time. Mr. Graves seemed somewhat startled at this idea, but Sir Oliver did not indicate any discomposure.

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790.5/1-1551

*Memorandum by the Assistant Secretary of State for European Affairs
(Perkins) to Mr. John Foster Dulles, the Consultant to the
Secretary*

SECRET

[WASHINGTON,] January 15, 1951.

Subject: Australia and a Possible Pacific Mutual Defense Arrangement

Australia for some time has sought a closer relationship with the U.S. to enable it to participate in high-level Washington planning which might later involve the disposition of Australian forces or material. We believe unless some form of a closer relationship satisfying Australia is provided for, we will not get the backing from them for the type of peace treaty with Japan which we want. While it is possible that some form of Pacific pact could be worked out which would convince Australia it thereby got this closer relationship with the U.S., it is likely that an acceptable pact in itself would not be attractive enough to Australia to bring it around to our views on Japan.

It is recommended, therefore, in order to make sure we have enough cards to accomplish our objective, that we obtain before you leave the approval of the Department of Defense on the recommendation made in the Department's letter to the Secretary of Defense on November 12 [24], 1950, that Australia be invited to send a military mission to Washington.¹ Once the approval of the Department of Defense has

¹ For documentation regarding the question of an Australian military mission, see *Foreign Relations*, 1950, vol. vi, pp. 225-228.

been obtained, it will then be possible to use our willingness to accept the mission as a bargaining lever in our discussions with Australia on the Japanese peace settlement.²

² In a letter of January 16 to Mr. Acheson, Secretary Marshall stated that the views of the JCS on this question had been obtained and quoted them as follows:

"The Joint Chiefs of Staff consider that, from the military point of view, any possible advantages to be gained as a result of inviting the Australian Government to send a high level military mission to Washington would be transitory and, in all probability, negligible; on the other hand, they perceive serious and far-reaching military disadvantages in having such a group in Washington, particularly in light of the present and projected status of the United States planning for a global war."

In conclusion Mr. Marshall stated: "In the event that any similar proposal is advanced by the Australian Government, it is requested that no encouragement be given it without the prior clearance of the Department of Defense." (Lot 54D423)

Editorial Note

Mr. Dulles and his party, known collectively as the "Dulles Mission," left Washington on January 22 and arrived in Tokyo the evening of January 25. Mr. Dulles was accompanied by his wife. Other members of the Mission included the following: Mr. Allison, since January 16 the Deputy to Mr. Dulles; Earl D. Johnson, Assistant Secretary of the Army, representing the Department of Defense; Maj. Gen. Carter B. Magruder, Special Assistant for Occupied Areas in the Office of the Secretary of the Army; Col. C. Stanton Babcock, Chief of the Government Branch under General Magruder; Robert A. Fearey of the Office of Northeast Asian Affairs, Department of State (who had arrived in Japan two to three days before the rest of the party); John D. Rockefeller III, a Consultant to the Mission; and Miss Doris Doyle, Secretary.

On February 10 Mr. Johnson, Mr. Rockefeller, and General Magruder left Japan for Washington. On the following day, the rest of the Mission continued to Manila.

Editorial Note

In telegram 4178 from London, January 29, Ambassador Walter S. Gifford set forth an analysis of differences between the United States and the United Kingdom regarding policy in the Far East. It is scheduled for publication in volume IV.

790.5/1-3151: Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

SECRET

WASHINGTON, January 31, 1951—7 p. m.

1199. For Dulles from Rusk. In view Allen story Pacific Pact² and lengthy article by Rep Javits³ Jan 30 *NY Herald Tribune* describing resolution on Pacific Pact introduced House last week, Pact may become subject more extensive public discussion. Dept is contemplating following actions:

1. Secretary, if queried by Press, will say we have always been open-minded to suggestions for cooperative arrangements among Pacific nations, that several nations have from time to time made statements and proposals with regard to such arrangements and the question might naturally arise during preparatory discussions on Jap peace settlement, particularly during your contemplated visit Pacific area.⁴

2. Pres next week will discuss with New Zealand PriMin in very general terms Pacific arrangement we have in mind.⁵ He will confine himself to general outline you presented to Brit Amb⁶ and will say you will discuss matter further when you visit New Zealand. In few days I will speak to Indo Amb⁷ re Pacific Pact proposal in general terms you discussed with Brit Amb. Indo Amb will be informed you have no plan visit Indonesia, that what further steps should be taken this matter will be subject consultations between our Govts, that of course indication of general attitude Indo Govt would be welcomed, and that we will keep latter fully informed. Cochran's views this course have been invited.⁸

¹ William J. Sebald also held the personal rank of Ambassador.

² In telegram 1441 from Tokyo, January 26, marked "For Rusk from Dulles", the latter had stated that Robert Allen's syndicated column had given a "substantially accurate account of plans re Pacific Pact as outlined to Congressional Committees. Story gives list of prospective members, including Indonesia. Suggest you may wish to inform Indonesian Ambassador of our contemplated trip south and give him general idea of our thinking". (790.5/1-2651) For record of Mr. Dulles' discussion of regional defense ideas before the House Foreign Affairs and Senate Foreign Relations Committee, see Mr. Allison's memorandum of January 11-12, p. 790.

³ Jacob Javits of New York.

⁴ Telegram 1230 to Tokyo, February 7, included the verbatim record of discussion of a "Pacific Pact" at the Secretary's press conference held that day. The Secretary followed very closely the guidelines set forth above. The final exchange was as follows:

"Q. The US has not itself put forward a proposal?

"A. No." (790.5/2-751)

⁵ No record of conversations held between the President and Prime Minister Sidney G. Holland, who visited Washington February 5-10, has been found in Department of State files. For documentation of a discussion of Pacific alliance possibilities held between Mr. Holland and Mr. Rusk, see a memorandum of conversation by Mr. Burton C. Kitain of BNA and telegram Topad 1239 to Tokyo, both of February 8, pp. 147 and 151, respectively.

⁶ Apparent reference to Mr. Dulles' conversation held with Sir Oliver Franks January 12. For the memorandum, see p. 139.

⁷ Dr. Ali Sastroamidjojo.

⁸ In telegram 790 to Djakarta, January 31, the Department asked for Ambassador H. Merle Cochran's views after stating in part: "Dept recognizes

3. Dept now giving careful thought further procedure to be followed in progressing toward Pacific security arrangement. Public information problems in connection with Pact demand most careful consideration.⁹

Your comments and suggestions re above are invited. [Rusk.]

ACHESON

it highly doubtful Indo Govt would become party to Pacific arrangement. Nevertheless we wish Indos understand they are being consulted at same time as other Govts in Pacific area. We feel there is logical affinity of interests among nations who would participate, that arrangement would not only contribute to general security of area but would help bring Japan into Pacific community as peaceful member and would offer convenient means for closer consultation on problems mutual concern.

"Dept at this time desires maintain attitude that consideration any Pacific Pact is on completely tentative basis and U.S. is not aggressively seeking press other nations participate such an agreement but that present U.S. position has evolved in response often expressed desires nations in area. Therefore in discussing this matter with Indo officials you may wish reflect this attitude and avoid creating impression in mind Indo Govt that U.S. trying hard win Indo adherence Pacific Pact now." (790.5/1-3151)

⁹ The program of action here described was proposed in a memorandum of January 31 from Mr. Emmerson to Mr. Rusk, not printed. (790.5/1-3151)

790.5/2-251: Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET NIACT

[Tokyo,] February 2, 1951.

1492. For Rusk from Dulles. Reurtel 1199, January 31.¹ Concur in treatment suggested paragraphs 1 and 2. In general, believe should adhere to [?] attitude. British Ambassador² today read following statement³ as view of British Chiefs of Staff on possible Pacific Island arrangement:

Advantages: (a) It would be undeniable advantage as giving assurance to Australia and New Zealand of United States protection but we consider that could be obtained without resorting to elaborate machinery of Pacific Defense Council.

(b) Proposal might in time be used, by widening the membership of the council, as step towards our long term military aims of a regional defense pact.

(c) Proposal might help counteract charges of imperialism against the United States.

Disadvantages: (a) From standpoint of United Kingdom's position as world power, proposal would be interpreted in Pacific and elsewhere as renunciation of responsibilities and possibly as evidence of

¹ *Supra.*

² Sir Alvary Gascoigne, Political Representative of the British Liaison Mission to SCAP, with the personal rank of Ambassador.

³ For additional information, see the memorandum concerning a conversation between Sir Alvary and Mr. Dulles, February 2, p. 842.

rift in policy between UK and United States. There would undoubtedly be grave repercussions in Hong Kong and Malaya.

(b) Present time exclusion of the Asiatic mainland countries would encourage Communist aggression against Malaya, Indochina, Burma and Siam.

(c) Any attempt towards initiating regional defense pact by widening membership of Defense Council would be premature at present as Asiatic countries not ready for it now and the powers concerned would not provide forces to make such a pact effective. Therefore, conclusions at which the Chiefs of Staff have now arrived are as follows:

In the short term, proposals for the Defense Council *in their present form* are not acceptable. But should conditions in non-Communist Asiatic countries become more stabilized, more representative consultative Pacific Defense Council might be useful first step towards regional defense pact.

Also read following as view of Foreign Office :

“We feel strongly opposed to idea of a Pacific defense organization which would exclude the United Kingdom.”⁴

Dulles stated in response that area under consideration was the island chain of Aleutians, Japan, Ryukyus, Philippines, Indonesia if she wished to be considered part of chain, Australia, and New Zealand. This was a chain composed of links so interconnected that an attack on one link would jeopardize entire chain. No UK territory formed link in this particular chain. However, we recognized UK had Commonwealth concern in security of Australia and New Zealand and on this account, and if disposed to contribute sea and air power to defense of chain, UK might be an appropriate charter member of any consultative group. We would not, however, now be disposed to enlarge the area beyond the offshore island chain or include Hong Kong, Malaya or other mainland areas.⁵

Dulles emphasized purely personal tentative character of his thinking as above expressed, and stated that he had not discussed this with government before his departure. [Dulles.]

SEBALD

⁴ In the memorandum cited in footnote 3 above, the relevant passage reads as follows: “This is from the Foreign Office, not from His Majesty’s Government, but the Foreign Office and myself. I give it to you personally and informally.

“We feel strongly opposed to the idea of a Pacific Defense Organization which would exclude the United Kingdom, and I would stress that most emphatically to you, sir.”

⁵ In a memorandum of this conversation held February 2, Mr. Robert A. Fearey of the Office of Northeast Asian Affairs reported in part: “Sir Alvary replied that he understood completely and appreciated that what we had in mind was an off-shore pact, but that exclusion of the UK would have immediate repercussions in Malaya and Hong Kong and he could not help feeling that the UK would want to be included ‘in the first phase’.” (Tokyo Post Files: 320.1 Peace Treaty)

790.5/2-251 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

Tokyo, February 2, 1951.

1500. For Rusk from Dulles. In view of UK attitude toward Pacific island pact, request Washington opinion as to whether Mission might usefully try to lead Canberra to suggest declaration along following lines:

"Declaration by the Governments of Australia, Indonesia (?), Japan, New Zealand, the Philippines, the United Kingdom and the United States of America.

"1. The declarants recognize that the Aleutians, Japan,¹ the Ryukyus, the Philippines, Indonesia (?), Australia, and New Zealand have security problems that are related and distinctive because these areas form geographically a connecting off-shore island chain peculiarly subject to the influence of sea and air power.

"2. Each of the declarants recognizes that an armed attack upon any of the areas mentioned would be dangerous to its own peace and security because of its direct responsibility therein or in the case of the United Kingdom because of its Commonwealth ties with Australia and New Zealand.

"3. The declarants will consult together periodically with a view to concerting such measures as may be appropriate to implement between them their inherent right of collective self-defense of the areas in question."²

[Dulles]

SEBALD

¹ Documentation in the Japanese compilation reveals that the Dulles Mission was simultaneously considering a bilateral U.S.-Japan security agreement by this time for reasons not solely connected with the British attitude towards a regional "offshore" Pacific Pact. See pp. 777 ff.

² In telegram 1792 to Manila, February 10, marked "Dulles from Rusk", the Department stated: "Dept has no objection to general line indicated in Sebald's 1500 Feb. 3 but believes this should be discussed as one alternative rather than as official or preferred position." (790.5/2-1051) This telegram, drafted by Mr. Emmerson, was cleared by BNA, NA, and FE. The Dulles Mission left Japan for the Philippines the following day.

790.5/2-351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, February 3, 1951—5 p. m.

1032. See Embtel 1031.¹ In talk second with FonMin Roem I asked if he had noted press reports with respect organizing Pacific Pact. (Deptel 790.²) He said his government had been informed by Ambassador Ali that Department State denied any plans for such pact

¹ Not printed.

² See footnote 8, p. 142.

with Australia, Indonesia and other Pacific countries. I could only say I knew there was certain thinking on possibility of Pacific Pact. I wondered if Indonesia might be or become interested therein.

I said we all hoped China would yield to UN influence and cease aggression. There was possibility on other hand China might be intent on third world war, move into Indochina, Thailand and Malaya and then menace Indonesia. I asked what position Indonesia should assume. He thought Indonesia should continue its policy of peace but make itself strong. I said this would have been splendid if Communists had not played havoc with all our plans by launching aggression in Korea in which China now participating. I asked whether Indonesia would refrain from participating in Pacific Pact if one should now be undertaken, whether Indonesia would open her gates and offer no resistance to Communist aggression from North, or whether Indonesia would expect Americans and other important friends come to her aid if attacked. Roem replied that it would not be consistent with Indonesia's peace policy to enter such pact now. He said Indonesians have no fear of US invading Indonesia. He said if any invasion it would come from Communists and in such event Indonesians would expect Americans defend them. I remarked that if such is Indonesian expectation it would be better do some advance preparation rather than await danger. Roem referred to Indonesian military purchasing mission to US as means toward strengthening Indonesia and hoped US would expedite letting it procure arms against payment and outside MDAP. I reminded Roem I had helped him take up this request when we were both in Washington in spite Indonesian failure deal with me by mission. I mentioned, however, that notwithstanding my helpfulness to Indonesians I am receiving little reciprocity and I cited instances. I observed that friendships even between nations must be two-sided if they are to work.

[Here follows a discussion of certain economic matters.]

I believe Roem has accurately indicated attitude Indonesia would assume toward any approach on participation in Pacific arrangement. I recommend any further sounding out at present be made through Indonesian Ambassador Washington. Believe Dulles should not come Indonesia unless Indonesian Government indicates receptivity after Department discussions with Ali.

[Here follows a discussion of certain economic questions.]

Believe this propitious time to bring Indonesians face realities of world situation. US aid should not be taken for granted no matter how close our friendship has been or may continue with Indonesia. Indonesia will not only itself become a problem but will contribute to strengthening Asiatic-Arab bloc, thereby creating much bigger prob-

lem, if we continue too gentle policy with this country. (Indonesians reportedly may take initiative on Asiatic conference to work toward Indochina independence.) In addition to cutting down on economic aid as suggested in separate telegram I recommend Indonesians be brought face to face firmly with policies we advocate on allocation strategic materials at such conferences as London rubber meeting.

[Here follows a discussion of military aid.]

If general desirability Pacific arrangement is decided after investigations by Dulles I feel Indonesia's attitude should by no means deter other Pacific powers from going ahead therewith. I believe door should be left open to Indonesians but that they should not be encouraged or even permitted to come in unless they are willing to abide by rules thereof and accept principles wholeheartedly. I believe Indonesians are more likely to appreciate benefits of such pact if we make them realize at once that any further favors from US must be requested and merited on record of behavior as sovereign nation sympathetic to policies free world.³

COCHRAN

³ In telegram 832 to Djakarta, February 9, marked "Cochran from Lacy," the Department stated in part: "Dept entirely approves course taken by you in conversations Roem (Embtel 1032, Feb 3) and agrees ur recommendation US shld withhold future econ assistance unless Indos specifically request it." (790.5/2-351)

794A.00/2-851

Memorandum of Conversation, by Mr. Burton Kitain of the Office of British Commonwealth and Northern European Affairs

TOP SECRET

[WASHINGTON,] February 8, 1951.

Subject: 1) Formosa, 2) Sanctions against Communist China, 3) Japanese Peace Treaty and Pacific Pact.

Participants:

Prime Minister S. G. Holland ¹	FE—Mr. Dean Rusk
Mr. A. D. McIntosh, Permanent Secretary of External Affairs	FE—Mr. J. Emmerson
	NA—Mr. U. A. Johnson ²
Sir Carl Berendsen, New Zealand Ambassador	BNA—Mr. L. Satterthwaite ³
	BNA—Mr. B. Kitain
Mr. George Laking, Counselor ⁴	

¹ A memorandum of the Prime Minister's conversation held with Secretary Acheson February 6 is not printed. (Secretary's Memoranda, Lot 53 D 444)

² Director of the Office of Northeast Asian Affairs.

³ Deputy Director of the Office of British Commonwealth and Northern European Affairs.

⁴ Of the Embassy of New Zealand in Washington.

[Here follows a section of the memorandum which is scheduled for publication in volume VII.]

Mr. Rusk then turned to the joint question of a Japanese peace settlement and the proposed Pacific pact. We realized that Japan posed a double-edged security problem: it must not be allowed to fall into Communist hands, but we nevertheless could not allow a restoration of aggressive militarism. Americans could not envision our troops being indefinitely committed to defending an unarmed Japan, nor did the United States relish the undesirable position of policing a Japanese arms limitation. Our experience indicates that the Japanese are reluctant to alter the constitutional restrictions on armament but would more likely be interested in participating in a collective security arrangement. At the same time Australia, New Zealand and the Philippines each want to be protected against a resurgent Japan. The question, therefore, of a Pacific security arrangement arises, bringing with it innumerable problems. There is little doubt but that the United States would consider an attack on Australia and New Zealand as an attack on itself without the existence of a formal agreement. The primary difficulty in attempting to formulate any Pacific pact, however, arises from the question of who should participate. Mr. Rusk then outlined the difficulties to be met should various combinations of countries be included, the principal stumbling blocks being the participation of the United Kingdom and probably France, the Netherlands, and Portugal—which would give it a colonial aspect. There are difficulties arising from the inclusion of nations whose primary interests center in Europe. It is undesirable to commit American forces to defend untenable Asiatic mainland points, or of appearing, on the other hand, to “write off” the mainland nations of Asia. Conversely, there might be an advantage in making public a commitment already deemed to exist which might act as a deterrent to a potential aggressor. These questions would be discussed at length by Mr. Dulles during his visits to Australia and New Zealand.

The Prime Minister stated that New Zealand already had a commitment to furnish within seventy days of the outbreak of war an augmented division of some 33,000 to 35,000 men—for the Middle East—that these would be volunteers, but that replacements would come through conscription. The necessary legislation for such a commitment already exists and it had the support of both major political parties. In view of the small population this was the maximum effort that New Zealand might make. She intended, as a matter of fact, to strip the country of all forces, not even reserving elements for anti-

aircraft or port defense. The Prime Minister therefore wished to know whether this Middle East commitment for the general welfare of the West would be weighed on the scales with regard to Pacific defense. New Zealand, however, would be far less uneasy if it might have an advance commitment from the United States—that New Zealand would be defended by United Nations forces in the unlikely event of a direct attack. Mr. Rusk stated that he believed the United States considered the New Zealand Middle East commitment as adequate in view of the size of the country and that he would consult the JCS with respect to a United States recognition of this commitment and its relationship to security commitments in the Pacific. The Prime Minister agreed that if a discussion of the creation of a Pacific pact would be embarrassing it would be advisable to drop the idea, but that if such a pact were to be concluded, the United Kingdom would certainly have to be a member. He added that Australia is not wholeheartedly committed to the Middle East by virtue of its extreme fear of a resurgent Japan. The Prime Minister agreed with Mr. Rusk that Australian and New Zealand security might be obtained without the imposition of an arms limitation on Japan. It was for this reason, in view of New Zealand's Middle East commitment, that a security arrangement was desirable. Mr. McIntosh indicated that a Pacific pact would be a source of security against both a Communist attack on New Zealand and an attack by a resurgent aggressive Japan. Mr. McIntosh agreed that should a local rather than a general war break out in the Pacific area the entire New Zealand concept of a Middle East commitment would have to be re-studied. Mr. Rusk then inquired whether a tripartite arrangement among Australia, New Zealand and the United States would not suffice to meet their security requirements. The Prime Minister, Mr. McIntosh and the Ambassador wholeheartedly agreed to this approach to Pacific security. Mr. McIntosh finally summarized the New Zealand position as follows: New Zealand was, despite its geographic location, part of the European system, committed to participate in military action in Europe and the Middle East without, however, having a voice in any of the security arrangements which might commit its forces. What New Zealand wanted was a reciprocal commitment by the United States to defend New Zealand in the unlikely event that it should become necessary and a voice in some body which had the power to commit its forces. The Prime Minister concluded by thanking Mr. Rusk for the cordial reception and the clarification of the United States position.

790.5/2-251

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET PRIORITY

WASHINGTON, February 8, 1951—4 p. m.

Topad 1232. Dulles from Rusk.¹ (Sebald's 1492 Feb 2).² In view Brit attitude toward Pacific Pact appears even more essential we proceed in our discussions of this subj on very gen and tentative basis you suggest.

Your discussions Canberra and Wellington, particularly former, might follow line that we are responsive to Austral suggestion for Pacific Pact and hope that agreed formula can be found. Nevertheless Brit insistence UK be included returns us again to principal difficulty, that of determining membership. France will undoubtedly take attitude similar Brit (in fact Pleven took occasion while here³ bid for more French participation FE matters) and we may assume Dutch and Portuguese wld likewise want admittance. Pact thereupon acquires colonial nature which wld make it anathema Asian nations and destroy its realism as genuine security arrangement among powers with primary Pacific interests.

You might invite Australia to herself explore these problems, consider alternative solutions and advise us of conclusions reached. Meantime we ourselves continue consider advantages and disadvantages various forms which agreement might take. In addition to concept agreed upon here before your departure, other possibilities include U.S. unilateral declaration, series of bilateral agreements (U.S. with Australia, New Zealand, Philippines, Japan, respectively) or tripartite agreement (U.S., Australia, New Zealand). These latter wld, of course, not provide the desired collective security arrangement for Japan's participation nor wld they remove very real problem of effect on Asian states and danger that drawing line wld invite Commie aggression. Re Japan's problem believe further consideration might be given possibility of applying Uniting for Peace res to Japan under which Peace Observation Comm wld be stationed in Japan or Jap forces made available as UN unit after Japan becomes member UN. Still another alternative wld be loose assoc of nations, including mainland states, but without U.S. defense commitments.

We believe it important at this time give impression open-mindedness and desire receive constructive suggestions. Therefore it might

¹ Telegram drafted by Mr. Emmerson and cleared by, among others, Mr. Matthews and Mr. Satterthwaite.

² *Ante*, p. 143.

³ René Pleven, Premier of France, was in Washington January 28-30 for talks with President Truman, Secretary Acheson, and other officials. Documentation on the visit is scheduled for publication in volume IV.

be wise refrain from discussing any one text. On basis your discussions and proposals which govts you visit may present, Dept can arrive at position for your return.

Satterthwaite of BNA who is mtg you Canberra ⁴ is fully briefed this subject. [Rusk.]

ACHESON

⁴ The Dulles Mission was in Australia February 14-19.

694.001/2-851 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, February 8, 1951—7 p. m.

Topad 1239. Rusk ¹ to Dulles. FYI I had gen discussion today with PriMin Holland on Pacific Pact and Jap treaty.²

I outlined in very tentative and gen way relationship of Pact to Jap treaty and various alternatives and difficulties in such a pact indicating you will discuss more fully.

I particularly stressed problems of membership, possible desire especially UK and probably Fr, Neth and Portugal for inclusion in any gen pact thus imparting colonial power nature as well as raising problem of what type commitment could be made by US which cld also be applicable mainland Asia and problem of inclusion states whose primary interests not in Pacific.

I mentioned alternative of unilateral declaration by US, series of bilateral agreements between US and certain Pacific island countries or trilateral arrangement between NZ, Austral and US. I mentioned some of difficulties of each alternative pointing up problem of a solely bilateral arrangement between Jap and US, and problem of attracting aggression against states excluded.

Holland agreed that UK and probably others wld desire join any gen pact and expressed understanding difficulties in type proposal agreed upon before your departure. He explained NZ commitments to UK for deployment virtually all troop strength in other areas in event gen war and desire for public assurance protection in unlikely event attack on NZ itself apart from confidential mutual understanding on mil commitments. Holland was eagerly receptive to mention of trilateral arrangement between NZ, Austral, and US and foresaw no difficulties with UK or Commonwealth in such a plan.

In discussion of treaty I pointed out difficulty, and Holland expressed understanding, of any US responsibility for enforcing restric-

¹ Telegram drafted by U. Alexis Johnson, Director of the Office of Northeast Asian Affairs.

² For memorandum of this conversation, see p. 147.

tion on Jap defensive measures, probability of Commie bid for Jap support in such event, present Jap disarmament sentiment and difficulty US indefinitely committing forces to defense Jap in view obvious ability Jap substantially contribute to its own defense.

Holland indicated problem of security and non-restrictive Jap treaty was much more acute in Austral where it was also strong domestic political issue in contrast to NZ. [Rusk.]

ACHESON

Lot 56D527

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison) at the Malacanan Palace, 10:45 a. m.*

[Extracts] ¹

CONFIDENTIAL

MANILA, February 12, 1951.

Participants: President Quirino
Ambassador Dulles
Ambassador Cowen
Felino Neri, Acting Foreign Minister
Colonel C. S. Babcock, United States Army ²
John M. Allison

In this connection Mr. Dulles outlined the importance to the future containment of Communism in the Pacific, of the maintenance of the integrity of the island chain extending from the Aleutians through Japan, the Ryukyus, Formosa, the Philippines down to Australia and New Zealand. It is possible, he stated, that some form of security arrangement should be developed among these island regions and perhaps Indonesia should also be included. In view of the recent visit to Manila of the President of Indonesia, Mr. Dulles asked President Quirino's opinion as to whether or not Indonesia would wish to take part in any possible security arrangement. According to President Quirino, Indonesia will be slow to make a definite commitment to the cause of the anti-Communist world. It is still greatly influenced by the position being taken by India. However, President Quirino believed that in the end the Indonesians would side with the free world and stated that he had told President Sukarno in strong terms that it was not possible to be neutral and that Indonesia sooner or later would have to choose. President Quirino expressed the opinion that President Sukarno was not taking a strong enough position of leader-

¹ The remainder of this memorandum is printed on p. 880.

² Colonel Babcock had been detailed to Mr. Dulles' staff in September 1950, for reasons described in the memorandum by Mr. Allison to the Secretary, September 4, printed in *Foreign Relations*, 1950, vol. VI, p. 1290.

ship in the foreign affairs of his country and that he was too dependent upon the advice of his ministers. He pointed out that President Sukarno had been unwilling to go ahead and sign with President Quirino a commercial treaty until he had consulted his foreign minister and, in President Quirino's opinion, this demonstrated a lack of force and determination and too great a subservience to the views of his cabinet. However, President Quirino went on to say that he had liked President Sukarno personally, that he believed he was in fact anti-Communist and that he was certain that in the final analysis he would be found on our side.

President Quirino then reverted to the question of a Pacific security arrangement and asked Mr. Dulles to expound on what the United States ideas were in this regard. Mr. Dulles pointed out that the press both in the United States and the Far East seemed to have much more definite ideas than he did and that the United States at this moment had no specific proposal of its own to advance. The United States was prepared nevertheless to listen sympathetically to any proposals the countries most directly concerned might wish to make and Mr. Dulles anticipated that when he arrived in Australia and New Zealand³ he would receive suggestions from those Governments. Mr. Dulles explained that in our opinion the problems connected with the security of the island chain which had been mentioned earlier were ones which could most easily be solved by sea and air power which the United States possessed in large degree and that these problems were different from those which would be posed by any security arrangement involving the mainland of Asia. In the opinion of the United States the two problems should be kept separately. President Quirino referred to his efforts at creating understanding among the nations of Southeast Asia and the Pacific and spoke of the Baguio Conference⁴ which he had initiated. He felt that the most important results had been in the economic and cultural field and that it was in these fields that first progress should be made but it might not be necessary to take military steps at present. Mr. Dulles said that the situation probably was one which called for both types of activity to go hand in hand and that unfortunately we could not

³ The Dulles Mission was in New Zealand February 19-21. In a memorandum of his conversation held January 24 with G. R. Laking, Counselor of the Embassy of New Zealand, Mr. Johnson stated that the former had transmitted New Zealand's invitation to the Department that day. He continued in part: "Mr. Laking stated that even though the official talks with New Zealand and Australia might be held jointly in Australia, it might be valuable for Mr. Dulles to visit New Zealand as it would give him an opportunity to talk with other members of the Government and would have a valuable effect on public opinion." (Lot 54D423)

⁴ For documentation regarding the Baguio Conference of May 1950, see *Foreign Relations*, 1950, vol. vi, pp. 85 ff.

ignore at present the military aspects of the problem. President Quirino had no specific proposals to make at the time other than to indicate the definite interest of the Philippines in some form of Pacific security pact.

790.5/2-1451

*The British Embassy to the Department of State*¹

TOP SECRET

The exploratory conversations held by Mr. Dulles on the subject of a Pacific Defence Council and the informal suggestions that have been made have been considered by the Cabinet.

2. The Cabinet are of the opinion that there are the following objections to the setting up of such a body or to a "declaration that there was in fact sufficient interdependence between the islands making up the chain so that an attack upon one link would be a matter of serious threat to the other links":—

(a) A declaration of the kind proposed would equate an attack on Japan with an attack on Australia or New Zealand and involve the commitment of Australian and New Zealand forces for Japanese defence. It would thus cut across Australian and New Zealand commitments to Middle East.

(b) It is very doubtful whether such a declaration could in practice both provide for the inter-dependence and mutual assistance of the countries of the group and at same time provide against an attack by one member (Japan) on another (Australia or New Zealand).

(c) Indonesia's adherence to the Dulles' plan is considered unlikely.

(d) The conclusion of a pact or declaration confined to the "Island chain" might have serious repercussions in countries not included particularly in South East Asia. The will to resist in Indo-China, Siam and Malaya might be gravely affected. United Kingdom Government is particularly anxious that whatever arrangement may emerge from these discussions should not be in such a form as to lead the populations of Hongkong and Malaya to fear that United Kingdom might be disinteresting itself in their defence. This effect would be intensified if, contrary to our expectations, Indonesia were included in the pact. It would be highly dangerous to give the French any impression of a betrayal as regards Indo-China. All this might both increase the threat in South East Asia and leave defences there and south eastward through Malaya to Australia weakened.

(e) His Majesty's Government want to keep in mind the long term desirability of a pact or system of pacts including the countries of South East Asia and ultimately India, Pakistan and Ceylon. This is

¹ This note was delivered on the 14th of February by H. A. Graves, Counselor of the British Embassy. The memorandum by Mr. Emmerson of the conversation held on that occasion is not printed. (790.5/2-1451)

not at present a practical proposition but we are anxious to avoid any development which would make progress towards it more difficult.

(f) A "white man's pact" on lines contemplated would operate against our efforts to secure closer co-operation from India, Pakistan and Ceylon in South East Asia which is what we are trying to do through Colombo plan.²

(g) It does not appear to be contemplated that the declaration should apply to United Kingdom islands such as Fiji and those of Western Pacific High Commission. Their inclusion would not help us in relation to above difficulties but their exclusion would be equally difficult.

(h) It appears to have been overlooked that the United Kingdom does in fact possess territory in the island group or chain referred to—to wit, North Borneo, Brunei and Sarawak. The exclusion of the United Kingdom from any such arrangement would therefore be unacceptable.

3. In the view of His Majesty's Government every effort should be made to find alternative means of allaying the anxieties of Australia and New Zealand, e.g. by a United States guarantee of their security in war.

4. His Majesty's Government would be grateful for a fuller exposé of the informal suggestion for a tripartite pact—United States, Australia and New Zealand—, on the basis of which each would go to the aid of the others in the case of hostilities occurring which would affect the interests in the Pacific of any one of the parties.

WASHINGTON, 14th February 1951.

² For documentation concerning the interest of the United States in the Colombo Plan, see pp. 1 ff.

Lot 54D423: John Foster Dulles Peace Treaty File

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

CANBERRA, February 14, 1951.

NOTES ON MISSION STAFF MEETING AT AMBASSADOR JARMAN'S
RESIDENCE ¹

Ambassador Dulles said that he did not consider it as important from the Japanese point of view that there be a Pacific Pact as he had before he went to Japan. Japan could probably get around its Constitution without the benefit of such a pact. It would still be helpful, however. Mr. Satterthwaite said that Mr. Holland had stated in Washington that the British should be a party to a Pacific pact. He

¹ The usual list of persons is not included in the source text.

had also said that New Zealand would not give us trouble on a Japanese treaty but that Australia probably would.

Mr. Byrd² of the Embassy staff said that security was what Australia wants. Australia visualizes Japan as going Communist and becoming a spearhead of aggression. Ambassador Dulles said that that was precisely the danger but the type of treaty Australia seemed to want would make a combination of the USSR, China, and Japan almost certain to eventuate. With great difficulty we checked Japan when China and Russia were our allies. Now our only chance is to have Japan on our side. Mr. Byrd said that the Australians see Japan pretending to be on our side and then doing a flip-flop. Ambassador Jarman thought that Spender and Menzies were willing to go along but that the difficulty was the man in the street. Ambassador Dulles said that if the Philippines, Australia, and New Zealand do not wish us to try and salvage the situation for them in regard to Japan they would find themselves faced by the combination of Russia, China and Japan.

² Richard W. Byrd, Counselor of Embassy.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

CANBERRA, February 16, 1951.¹

NOTES ON CONVERSATION AMONG AMBASSADOR DULLES, AUSTRALIAN AND NEW ZEALAND MINISTERS FOR EXTERNAL AFFAIRS, AND STAFFS²

Mr. Spender opened the discussion by stating that the Cabinet had met the previous evening and had concluded that Australia could not accept a treaty, such as outlined in the U.S. Provisional Memorandum,³ which imposed no limitations on Japanese rearmament, unless there were accompanying arrangements to ensure Australian

¹ Sir Percy Spender states that the talks between himself, Mr. Dulles, and F. W. Doidge (New Zealand's Minister of External Affairs and Island Territories) began with the arrival of Mr. Dulles in Australia February 14 and continued through part of February 18. No memoranda of conversations held in Canberra February 14-15 or February 18 have been found in Department of State files. Sir Percy describes the talks held February 14-15, as well as the conversations of the following days, in detail. Certain discrepancies, largely with regard to the sequence of discussions, exist between his account of the conversations of February 16-17 and that contained in this and the two following documents. (Sir Percy Spender, *Exercises in Diplomacy: The ANZUS Treaty and the Colombo Plan* (New York: New York University Press, 1969), pp. 112-133, 147-161.)

² The usual list of persons is not included in the source text.

³ Apparent reference to the Provisional Memorandum of February 8. See Annex I to Mr. Dulles' letter of February 10 to Mr. Acheson, p. 875.

security. In other words, he said, the nature of the security arrangements arrived at for Australia would condition its approach to the terms of a peace settlement with Japan.

The Cabinet had also noted that Australia's capacity to live up to its obligations in the Middle East would directly depend on the extent to which it was secure in its own territories. The Prime Minister had said that he could not believe that the United States would leave Australia without adequate security guarantees while imposing no restrictions on Japanese rearmament. What was required was exploration of possible security arrangements within the framework of good will prevailing between the two countries. A tri-partite arrangement of the United States, Australia and New Zealand seemed best to Australia, but if a stalemate developed over the feasibility of this or alternative arrangements the Government could not approve a treaty permitting unrestricted Japanese rearmament.

Mr. Spender continued that Australia was one of the "wood and jerry" (pick and shovel?) boys. No one could challenge the fact that when war broke out, Australia was immediate in it with all its forces, but Australians feel that they have no say in discussions affecting their country's security. Australia has no say in the North Atlantic Treaty organization. It is not a party to any continuous consultative security arrangements, and accordingly has no capacity to influence events which greatly affect Australia. If the nation is to discharge its obligations there must be some continuous mode of consultation.

Mr. Spender said that he had received a cable the previous day from Mr. Rusk in which the latter had said that he was impressed by the possibilities of achieving a three-corner arrangement.⁴ Last October, Mr. Spender continued, Australia put up a case for a Pacific Pact, but it did not know what, if any, progress had been made in that direction. The idea of a Pact seemed to have dissipated in the course of Ambassador Dulles' travels. Mr. Spender said he was aware of the objections interposed by other countries to such an arrangement, but that he felt that Australia's position must be recognized by the United States and in the end would, in fact, be recognized. If Australia were asked to accept a Japanese treaty without attendant security arrangements for Australia, it could not do so. Aside from the objective dangers of such a situation, there were political dangers of the most basic sort. Mr. Spender continued that the danger from the Australian point of view lay in three possibilities:

1. *The possibility of the Communists gaining control of Japan*—Australia saw the need to attract Japan to the side of the free world. But doing this has dangers against which we must be prepared.

⁴ Examination of all the telegrams sent from the Department of State to Canberra in February has failed to reveal a message of this description.

2. *Economic factors.* Various of these had been cited by Ambassador Dulles the previous day, arising essentially from the problem of how Japan is to be kept economically on our side.

3. *The danger that Japan and China might find it easier to get together than Japan and the western world.*

In short, Mr. Spender stated, we have felt that if we were to go to the people and the Parliament, and say that we must approve a Japanese treaty of the type desired by the United States, without a corollary security arrangement for Australia, it would mean political oblivion for our party. So we are seeking a formal arrangement. The talk about a white man's treaty is "so much damned nonsense". We cannot have one man in the world telling us what to do. We feel that some one of the various possible types of security arrangements can and must be concluded. The objections are not something to which we should bow; they must, and can, be overcome.

Mr. Spender stated in conclusion that he had endeavored as Minister for External Affairs to promote the closest relations between the United States and Australia. This policy reflected the deepest desires of the Australian people. If the United States were to go to war, Australia would be at war. But Australia could not accept a Japanese treaty which left it out in the cold.

The New Zealand Minister for External Affairs, Mr. Doidge, thereupon said that he was bound to say that the people of New Zealand would find nothing in the United States Provisional Memorandum to lull their fears or meet their desires. New Zealand was already committed to do much, and intended to fulfill its commitments. It felt that it had a strong case to make on the question of a Pacific security arrangement. The Government realizes that the Communist menace creates a real threat, but at the same time must consider possible safeguards against a resurgent Japan.

Mr. Doidge said that the remilitarization of Japan must happen, but that it must be limited. There must be more safeguards. New Zealand realizes that the initiative can only lie in the hands of the United States, but the United States must realize that Australia and New Zealand have a justifiable case. Japan needs to rearm, but once the rearmament is under way, it may have a momentum we could never catch up with. Citing the case of Germany after the last war, Mr. Doidge said that Japan, given the opportunity, could very possibly recover just as fast as Germany did. Given a chance to rearm Japan would probably do so in a spirit of revenge. New Zealand feels that Japan has a long way to go before it can be trusted. "Our view is much the same as Mr. Spender's—we want peace with Japan, but we also want security."

Turning again to the question of collective security, Mr. Doidge said that New Zealand did not wish to commit itself to defend areas it

might find morally as well as strategically difficult to defend. New Zealand is working for the security of the Middle East. That is its major target. Ambassador Dulles, Mr. Doidge stated, had quoted General Slim⁵ as saying that the risk of attack in the Far East is remote. This may be true, but New Zealand cannot feel so confident. Clearly, however, the chance of trouble elsewhere is great. We are offering to others much more than they are offering to us. All we have, and we are very glad to have it, is verbal assurance from President Truman and Ambassador Dulles. But we have to convince our people. If we accept obligations both in the Middle East and in our own territories, it will be more than we can fulfill. We cannot do both. We are not asking for something and giving nothing. If we play our part in the Middle East, we feel justified in almost demanding something in return. We feel sure that the United States, in the spirit of fairness which it has always shown, will meet that demand.

Ambassador Dulles said that he did not remember quoting General Slim and he did not wish those present to think that he agreed with the opinion which the General had reportedly expressed. He said that he considered that there is a real danger of attack on the Far East and the South Pacific, and he did not know whether the danger was greater here or in Europe. Because the United States feels this, that the situation is grave and perilous, it considers it necessary to move with the greatest caution and circumspection. The importance of preventing a coalition of the USSR, Communist China and Japan cannot be overemphasized. The USSR and Communist China have much to offer Japan, more than anything we can propose. We can only offer Japan a precarious existence on its four main islands while the Soviets could offer an extremely attractive perspective. So we don't think this is by any means a safe solution.

The problem is one which must be dealt with with extreme delicacy, the type of delicacy one would have to employ in landing a big trout with a light tackle. If too much strain is put on the tackle it will break and the fish get away. The problem of attracting Japan seems primarily one devolving on the U.S. Having that responsibility we have to use our own judgment on how best to discharge it. Mr. Spender and Mr. Doidge referred to the absence of any treaty limitations on the rearmament of Japan in the U.S. Provisional Memorandum. This is not because we don't think there should be such limitations but because we feel that if they were expressed as treaty limitations they would defeat our purpose. We believe in limitations but we have no confidence in treaty restrictions subjecting Japanese sovereignty to limitations not suffered by other nations and publicly branding Japan as a third rate power.

⁵ Field Marshal Sir William Joseph Slim, Chief of the Imperial General Staff of the United Kingdom.

Ambassador Dulles continued that Japan might revive as Germany had after the last war. But we do not wish to try to prevent this by the methods which failed so signally for Germany. General Foch⁶ wrote the military restrictions of the Versailles Treaty with professional thoroughness. The Germans could not even have shooting clubs. Such restrictions, however, are just an incitement to a nation to break them in order to show that it is as good as any other.

We have got to use delicate methods, a light tackle. We are absolutely confident that if Japan is basically committed to the free world and accepts U.S. troops in and about its territories we will have complete control over any rearmament plans Japan may adopt. A further factor will be international regulation of the flow of basic raw materials. Japan will not be able to get materials and produce arms except in accordance with these regulations. Every pound of iron ore would have to be accounted for and used to meet approved purposes. These two factors—the presence of U.S. troops and international raw materials controls—would seem to take care of the problem of a possible resurgent Japan better than any words which might be included in a peace treaty. We feel that Australia and New Zealand must trust us to some extent to carry out what we think best. The U.S. cannot carry out effectively policies in which it does not itself have faith.

Mr. Spender inquired what the attitude of the U.S. was towards strategic economic controls with respect to Japan such as are being applied in trade with Communist China. Ambassador Dulles replied that the U.S. did not foresee formal arrangements along these lines, but that he saw no difficulty to a policy of review of materials going to Japan, and that such review was indeed inevitable and indeed existed in some degree at the present time. Exports of cotton and certain other materials to Japan were already subject to allocation by the U.S. Government, which has been seeking an agreed program of international materials controls with the principal raw materials countries.

Mr. Doidge inquired whether Japan would be content with such a system after a treaty, to which Ambassador Dulles replied that it would have to be content. Mr. Doidge said that Japan, even if initially content might seek to throw aside the controls after the treaty. Ambassador Dulles reiterated that it could not throw them aside, that the free world controls the materials. When Mr. Doidge noted that the Soviets are fishing in the same waters, Ambassador Dulles said that there could be no guarantee that Japan would not go to the other side. We can only do our best to see that it does not. As long

⁶ Marshal Ferdinand Foch, in 1918 Commander in Chief of the French Army and of the armies of the Allied and Associated Powers in France.

as there is international control over raw materials Japan would have only its share. The Soviets may be able to offer more attractions than we to get Japan on their side. If the Japanese peace treaty contains a lot of disabilities, Japanese pride will be hurt and they will become restive, making it more likely that they will go on the Soviet side. Pride is about all the Japanese have left. If you say that in the treaty we must destroy that too our task becomes impossible.

From a public relations standpoint, Ambassador Dulles continued, the kind of treaty I am talking about cannot be easily explained. The American people understand fairly well why a non-restrictive treaty is desirable, due to their experience with a restrictive treaty with Germany after the last war. Australia and New Zealand, however, were remote from the workings of the German peace settlement. We realize that this creates practical problems and are quite willing to discuss the matter on that basis. We wish it understood, however, that we are taking what seems to us the most effective way of keeping the situation under control. We have to drive with a light rein because the temptation for Japan to bolt and go over to the other side is great. Our proposed course is believed to be the only one which will over a long period keep Japanese rearmament on a modest basis and sufficiently unbalanced, i.e. not including naval and air forces. We have been trying to get over to the Japanese the idea that their security has now become a collective problem and that no nation should any longer have purely national forces. The Japanese people have accepted this concept sympathetically and are eager to become part of a collective security system so that they will not have to have national forces again. I am not taking at face value all that I saw in Japan. The Japanese attitude is one of extreme pacifism today but one cannot be sure that it will stay that way. I do think, however, that the Japanese are now in a mood which if taken advantage of could be used to shape their future on more healthy lines than ever before. We appreciate all these aspects of the matter, not because we are as close to Japan as you but because we feel a sense of responsibility and because we know that all would suffer from a resurgence of Japanese militarism.

As already stated, Ambassador Dulles continued, we recognize that our proposals are not easily saleable to your people. Much of what I have said cannot be explained publicly here and, if publicly revealed, would tend to destroy what we are trying to do in Japan. It is reasonable for you to want to have something to meet Australian and New Zealand public opinion. Mr. Spender wondered if the idea of a Pacific Pact had evaporated. When I left Washington it was with broad authority to make a security pact that would include Australia, New Zealand, the Philippines, Japan, the U.S. and possibly Indonesia. I outlined our general thinking on it to Ambassador Franks in Washington but only when we got to Tokyo did we learn that the U.K. was

strongly opposed to such a pact. This threw us off balance. The matter has now got to be reconsidered which will mean the reopening of a number of pertinent factors. We do not feel that we can deal with these factors here with finality since they were not fully considered by the Government before we left. We are, however, prepared to consider all possible suggestions. The principal possibilities appear to be (1) a series of bilateral arrangements between the U.S. and various Pacific island countries; (2) a triangular Australian, New Zealand and U.S. arrangement coupled with bilateral U.S. understandings with the U.S. and the Philippines or independently thereof [*sic*]; (3) a joint arrangement among Australia, New Zealand, the Philippines and the U.S. plus a U.S.-Japan bilateral arrangement; (4) a joint arrangement participated in by all five countries. I want to make clear that there is no hesitation or reluctance on our part as regards the substance of what you want. We thought we had a generally satisfactory formula but the British did not like it.

Mr. Spender commented that it seemed somewhat surprising to him that the U.S. should have been so deterred by the British objections. Australia, he said, regards itself as the principal in this area. After all, he stated, the Australians live here.

Ambassador Dulles replied that he had not in any way indicated to the U.K. that the U.S. accepted its objections as valid. We do attach importance to them, however, and see difficulty in proceeding if the British continue to feel as strongly as they have indicated. We were told that the matter would be considered by the Cabinet last Monday.

Mr. Doidge said that he disliked the thought of an agreement of this type without the U.K. being a part.

Mr. Spender commented that he believed that the British objections would be met by a series of bilateral arrangements. He could not see how anyone could object to an agreement by the U.S. and Australia or agreements between the U.S. and other individual countries. He then listed and commented on each of the British objections as follows:

1. That a pact would cut across New Zealand and Australian arrangements for the Middle East—Mr. Spender said that he did not see any conflict at all here and believed that the pact would on the contrary fortify these arrangements.

2. That Indonesia's adherence was unlikely—Mr. Spender said that he also considered that it was unlikely. The chairman of the Foreign Affairs Committee of the Indonesian Parliament had just publicly stated that Indonesia would have nothing to do with the pact.

3. That the effect on non-Communist mainland countries would be unfortunate. Mr. Spender said that he agreed that this aspect of the matter presents difficulties but that he did not consider them insuperable. Sir Esler Denning⁷ had said that it was a drawback to the pact

⁷ Sir M. Esler Denning of the United Kingdom's Foreign Office, assigned to special duties in the Far East with the personal rank of Ambassador. Sir Esler was in Canberra during the visit of the Dulles Mission.

but not such as to prevent its conclusion. He thought that it should be dealt with through parallel understandings. Sir [Esler] had also said that a three power pact would entirely avoid this objection.

Mr. Allison said that if Japan were included it would be a member of the club and, if any program of rearmament, would have to obey the rules of the club, which rules Australia and New Zealand would help to make. Mr. Spender replied that he had told the Cabinet that Australia's ultimate aim should be to attract Japan into our camp but that this was impossible politically now. Australia, he had said, should move to a state of peace with Japan, should work with Japan, and, if it finds that it is responding, should then bring Japan in. Public opinion toward Japan by that time would have become readjusted.

4. That we have to keep in mind a pact which will include the whole of Asia—Mr. Spender said that he doubted that he would live this long and that he was more interested in the immediate problem.

5. That the U.K. would not be a principal—Mr. Spender said that Sir [Esler] had told him that Britain did not want to be in the pact but at the same time would be unhappy if it were left out.

Ambassador Dulles said that from the point of view of the military defence of this area Japan is in a critical position. The attack may come from the south through Indonesia but is more likely in the north through Japan. Our military people feel that Japan is the anchor position, and that if it were lost it would make it difficult to hold the rest. So any commitments we made would from our standpoint have to be premised on the total view we took of the defense of the whole Pacific area. This does not mean that every country would have to be in the arrangement. It simply means that we would not be prepared to act except on the basis of the overall strategic picture. Mr. Doidge asked why we should not then have a tripartite arrangement of the U.S., Australia and New Zealand. We would then have time to condition the minds of our peoples to the bigger concept.

Ambassador Dulles inquired whether Australia or New Zealand had any written outlines of various possible arrangements. He suggested that the substantive issues be studied, leaving the question of participation aside for a while. Mr. Spender suggested that the staffs work out some language that afternoon for consideration by the principals later in the afternoon⁸ or the next day. He said that he did not think that there were any basic difficulties and that it was just a question of how to accomplish the agreed objectives. He noted that the U.S. had referred to Article 2 of the Charter in its Provisional Memorandum and suggested that this article might be a useful source of words. Ambassador Dulles agreed, adding, however, that the U.S. did not contemplate anything as elaborate as the North Atlantic Treaty. Our thought is of something simpler, leaving development of the arrangement to a later time when it might be possible to bring in

⁸ The editors have noted, but been unable to account for, the discrepancy in references to time.

Japan and certain other countries, possibly including certain mainland countries. He suggested, however, that the Australians and New Zealand representatives draft the paper as they thought desirable.

Mr. Doidge said that the time was getting close to midnight.⁸ He suggested that the arrangement be made simple and easy to negotiate. Ambassador Dulles said that he was ready to work day or night during his stay.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

[CANBERRA,] February 17, 1951—morning.

NOTES ON CONVERSATION AMONG AMBASSADOR DULLES, AUSTRALIAN AND NEW ZEALAND MINISTERS FOR EXTERNAL AFFAIRS, AND STAFFS

Mr. Spender presented the text of a Pacific Treaty ¹ incorporating changes adopted by the Working Party ² the previous afternoon. Ambassador Dulles said that the Mission had prepared a new Preamble,³ and handed copies to Mr. Spender and Mr. Doidge. Mr. Doidge commented that the final paragraph, which seemed to look to the inclusion of Japan, went further than his Government would probably want to go at the present time. New Zealand was not yet ready to commit itself to any obligations with respect to Japan. Ambassador Dulles replied that he had not had the participation of Japan solely in mind, though he did think Japan's inclusion desirable at the proper time, but was thinking also of other countries, including some on the mainland. As much as the U.S. cherishes its relationship with Australia and New Zealand, it could not believe that a pact with them alone is an adequate arrangement for the security of the vast Pacific area.

Mr. Doidge said that he recognized that fact but that the U.S. had bilateral arrangements with the Philippines and Japan. Mr. Spender asked whether the object was to protect ourselves alone or to achieve collective security. If we do not look beyond ourselves we will not get what we need. The U.K. is right in stressing this point. Mr. Spender said that the language proposed by Ambassador Dulles seemed to him to fit the situation like a glove.

¹ Text of this draft has not been found in Department of State files.

² Information regarding the composition of this Working Party has not been found in Department of State files.

³ A Preamble specifically identified as that presented to this meeting has not been found in Department of State files. However, there is no positive indication that the Preamble mentioned here differs from that printed as part of the draft of February 17, p. 172.

Ambassador Dulles said that the U.S. would be glad to have a pact in which the U.K. would be a member but that it did not wish to have the U.K., France and other colonial powers participate until they could be balanced by the participation of a number of Asiatic peoples. We do not want the tri-partite pact, if concluded, to appear to be the final word for the security of the Pacific area. There are too many countries left out. Mr. Doidge agreed but said that both Australia and New Zealand would have a hard job of selling any arrangement which seemed to involve Japan. Mr. Spender replied that it was essential that Japan eventually be brought in on our side of the fence and that we should begin to look to that day. He then suggested that the group go through the proposed text article by article.

Article I

Ambassador Dulles said that he had no objection to this article but wished to raise the question of whether the treaty should be as short as possible, containing only essentials, or should be a longer document including articles, such as this one, under which the parties affirmed obligations which they have already assumed in the Charter or elsewhere. Mr. Spender said that sometimes words have value simply as words and that he would prefer to retain the article. (The impression previously imparted by Australian officials was that the Government believed that a fairly long treaty would make a greater impression on Australian public opinion than a short document, even though the latter contained the same substance.) Ambassador Dulles said that a longer treaty would be acceptable to him if Mr. Spender and Mr. Doidge desired.

Article II

Mr. Doidge inquired exactly what was meant by the phrase "self-help and mutual aid". Ambassador Dulles explained that the phrase was taken from the Vandenberg resolution⁴ of a few years ago, the force of which was that each nation party to an agreement of this type should develop its own capacity to contribute to the common defense, and that the whole burden should not rest on one country. Mr. Doidge said that he had no doubt that the U.S. would help by whatever means appeared most efficacious at the time. Ambassador Dulles noted that the article refers to peace time mutual aid and not to a period of actual hostilities, dealt with elsewhere.

Article III

Ambassador Dulles suggested that the phrase "in the Pacific" be included at the end of the article. The suggestion was accepted.

⁴ Senate Resolution 239, 80th Cong., 2d Sess., June 11, 1948. For text, see *Foreign Relations*, 1948, vol. III, p. 135.

Article IV, First Paragraph

Mr. Spender inquired what was meant by the reference to constitutional processes. Ambassador Dulles replied that the phrase was to be found in the United Nations Charter in Article 43. It had been inserted there primarily to meet the sensibilities of Congress, which alone under our Constitution has the power to declare war. The phrase, which also appears in the North Atlantic Treaty, makes clear that the President does not have this power. He said that he had taken an active part in the debate on the North Atlantic Treaty in the Senate. He had there pointed out that while it is quite true that under our Constitution only Congress can *declare* war, the question of *making* war is a different matter. War can be made by others, leaving us little choice. Congress has declared war in only one of the wars in which the U.S. has been engaged. In every other case Congress has found that a state of war already existed. Only in the unlikely event that the U.S. started a war would the phrase have relevance. It did not in fact therefore impose any serious limitation.

Second Paragraph

Ambassador Dulles noted that this paragraph was a paraphrase of Article 51 of the Charter.

Article V

Ambassador Dulles suggested that the concluding clause be revised to read: "under its jurisdiction in the Pacific or on its *armed forces*, *public* vessels or aircraft in the Pacific". He said that he did not think that the treaty should be invoked if there were an attack on a private vessel of one of the parties, which might be engaged in blockade running or similar activities.

Article VI

It was agreed that "Security Council" should be changed to "United Nations" and the word "primarily" deleted, in recognition of the immobilization of the Security Council and the passage of the Uniting for Peace Resolution.

Article VII

Ambassador Dulles noted that this article had been included in the Atlantic Pact primarily due to the treaties of alliance which Britain and France had concluded with the USSR. He said that there appeared to be no need for it here. (Although it was not agreed at the time, the article was subsequently dropped.)

Article VIII (Article VII in later revised draft dated February 17)⁵

Mr. Spender raised the question of the site of the Council. He said that Melbourne was one possibility but was far from the Pacific. Another was Hawaii. The best site in the view of his Government, however, would be Washington. Australia already had its experts there and was frankly pushed for personnel. Also the Council's work could be best performed at a spot where all aspects of the world situation could be appraised. Ambassador Dulles said that it could at least be agreed that the treaty should not specify where the site should be.

Article IX (Article VIII of later revised draft)

No objection was made to this article.

Article X (Article IX of later revised draft)

It was agreed that the phrase "and its provision carried out" was unnecessary in view of the inclusion of the provision regarding constitutional processes in Article IV, and should therefore be deleted. It was further agreed that the instruments of ratification should be deposited with the Government of Australia.

Article XI (Article X of later revised draft)

Mr. Spender said that he would like to see the life of the treaty made as long as possible. Ambassador Dulles said that he did not have any positive thoughts on the question but that his own personal feeling was that it would be advisable to have the treaty run indefinitely. He did not like to consider that the declaration in Article IV had any time limit at all. The Monroe Doctrine had no time limit and had remained in effect for 150 years.

Mr. Spender replied that the idea of an indefinitely continuing obligation appealed to him, but that he wondered whether there should not be a minimum period before any party could terminate its obligations under the treaty. Ambassador Dulles said that his idea was that there should be no time limit on the main declaration but that any party could retire from the Council at any time it wished. A treaty of this sort which had no validity except from the flow of words was actually void. The British and French treaties with the USSR were for 20 years but are already void in fact. Mr. Doidge commented that the Pact would find its success in the sincerity of purpose of the parties. (It was subsequently agreed that the article should provide that the treaty was to remain in force indefinitely.)

⁵ Reference is to the draft cited in footnote 3, p. 164.

Article XII (Article XI in later revised draft)

It was agreed that the treaty should be deposited in the archives of the Government of Australia.

Ambassador Dulles recalled that the group had decided to go ahead and discuss the substance of a possible pact without deciding who the parties should be. Returning again to the questions of parties, he noted that there were strong objections to the inclusion of Japan in such a pact at this time. He had accepted this position for a good many reasons, among them the attitude of the U.K. The status of the Philippines had also been left undetermined. Mr. Allison had received the impression from Mr. Denning that the British would not have any particular objection to the inclusion of the Philippines. Ambassador Dulles said that the U.S. would not want to make any final decision regarding the Philippines until after the Mission had returned to Washington. It might then conclude that the exclusion of the Philippines would have such serious consequences that it would want to ask Australia and New Zealand to agree to the Philippines becoming a party.

Mr. Spender said that he understood. He accepted the proposition that the island chain extending from Alaska to New Zealand presented an integrated security problem, and he foresaw no real difficulties except on the question of Indonesia, which he believed would not want to come in. As to the Philippines, Australia had envisaged their being taken care of under the bilateral base agreement with the U.S. It preferred that the pact be limited to the three powers but would not resist the idea of including the Philippines if the U.S. Government thought that wise.

Ambassador Dulles said that President Quirino had expressed a strong desire to have the Philippines included in any Pacific pact, thereby formalizing the Philippines' security relationships with friendly nations to an extent which could not be accomplished by the simple stationing of U.S. troops in the Philippines. Mr. Spender said that Quirino must have changed his mind in the matter since he saw him last May. At that time Quirino had said that he wanted the Philippines to be included, but when his advisors had pointed out that this would constitute a military alliance he had suggested that the arrangement be solely of a cultural and economic nature.

Ambassador Dulles said that the question of Philippine participation was a delicate and complicated one. He noted that there was much corruption in the Government but that the Philippines' relationship to us stood as a valuable symbol. It was the feeling in the Philippines that if Formosa fell, it would be extremely difficult to preserve Philippine security due to the island-hopping possibilities which

would be open to the Communists. It was very important that a hostile attitude not build up in the Philippines, now so concerned about their security. Military bases cannot be held in a country whose population is definitely hostile.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

CANBERRA, February 17, 1951—afternoon.

NOTES ON CONVERSATION AMONG AMBASSADOR DULLES, MINISTERS FOR EXTERNAL AFFAIRS OF AUSTRALIA AND NEW ZEALAND, AND STAFFS

Mr. Spender said that a Pacific Pact raised two basic questions:

1. Would such a pact affect Australia's and New Zealand's commitments in the Middle East? Mr. Spender said that he did not think that whatever grew out of a Pacific pact would need to be inconsistent in any way with these commitments.

2. Would such a pact be considered by the peoples of Southeast Asia as signifying their abandonment? Mr. Spender said that he thought this was a matter to be considered but believed that it did not in fact constitute a valid objection to the proposed arrangement. Australia is already committed to send troops to Malaya as well as to the Middle East so that at least Malaya would know beyond question that it was not to be abandoned.

A subsidiary question was that of Indonesia's participation. Admission of Indonesia to the pact would make it more difficult to convince the peoples of the mainland that they were not being abandoned.

Ambassador Dulles said that he had had an intimation that Indonesia would like to be asked to participate so that it could refuse. Mr. Spender said that this sounded credible and was probably to be explained by Indonesia's desire to build up its prestige. He said that he fully supported the long-term desirability of a general Pacific Pact including more nations than the United States, Australia and New Zealand, but that such a pact was not practicable now. It was necessary to get a start somewhere and the proposed tripartite treaty would be such a start. He went on to say that if there were any British objections to the pact which he had not discussed he would be glad to take them up, as he knew of no objections which could not be satisfactorily met. The people of Australia live in the Southwest Pacific area and therefore feel that they have the primary interest in it. The discussions with Mr. Denning had indicated that there would be no objection by the U.K. to a tripartite pact of the type Australia had proposed. There could not be.

Mr. Doidge said that his Government's fear was that the people would recoil from the idea of having to go to the assistance of a country like Japan. Ambassador Dulles' presentation had made the U.S. concept so reasonable, however, that he felt that he now had a much clearer idea of the situation. New Zealand also feared entering into any agreement which would necessitate a division of its efforts. Again, Ambassador Dulles had made a most convincing presentation. This is the time and the hour and we do not want to let it pass. Ambassador Dulles commented that it had been his experience that when reasonable men differ it usually results from a different understanding of the facts, proceeding from different assumptions, and that he hoped that what he had had to say had helped to clarify the underlying facts.

Mr. Spender said that Australia still feared Japan. He had been much impressed, however, by Ambassador Dulles' sympathetic consideration of what Australia considered the first step, a Pacific Pact. Mr. Dulles' attitude toward a pact had conditioned his, Mr. Spender's, approach to the problem of Japanese treaty. The Australian people would expect him as Foreign Minister to get a rigid peace which would control this and regulate that. If the Government did not meet public opinion in some degree it will fall and there could never be any hope of obtaining Australia's approval of the type of treaty the U.S. has in mind. Mr. Spender said that he therefore proposed to make the following recommendations to his Government:

1. That, pending determination whether the proposed pact is satisfactory to the United States Government, Australia reserve the right to propose limitations on Japanese rearmament in the treaty.

2. That if the pact is acceptable to the U.S., Australia not insist on provisions for the restriction or supervision of Japanese rearmament in the treaty.

3. That if the pact is acceptable to the U.S., Australia propose that after the treaty is signed Japan of its own accord enter into a unilateral or multilateral agreement with Australia and possibly other countries under which it would agree not to revive militaristic policies and not to accumulate dangerous military might.

Mr. Spender said that it was true, as Ambassador Dulles had pointed out, that restrictions or supervision provided in a treaty tend to break down. Post-treaty covenants, however, would be more likely to be performed, particularly if Japan wishes to win its way into the Western world. Australia, therefore, desired both a pact or security treaty and voluntary Japanese assurances of the type just described. The present pacifistic tendency of the Japanese people might well incline them toward the desired assurances. It will probably not be in Japan's power to develop atomic weapons, long-range missiles or an appreciable navy or air force in any event, and therefore its re-

nunciation of the right to build up such weapons and forces would not involve particular sacrifice.

Mr. Doidge said that Japan had been a nightmare to New Zealand and that the possibility of its resurgence was regarded with horror. Ambassador Dulles' explanation of the controls to which Japan will in any event be subject due to a world-wide system of raw materials allocations and the presence of U.S. forces in Japan is highly convincing for the short-run period. But New Zealand must live alongside Japan for a long time to come. Ambassador Dulles' exposition does not seem to cover the long-term possibilities.

Ambassador Dulles said that what he had asked required putting wisdom above immediate political expediency. As to the long-term, nothing which could be written in the treaty could affect the situation 30, 40 or 50 years from now. All that will help at that time will be for us to have started now to bring Japan to a mood in which it will not want to adopt aggressive policies. The fact that the treaty will not contain limitations on the exercise of full sovereign rights by Japan will in itself contribute to this end. It would seem a little awkward, in reference to Mr. Spender's proposal, to suggest to the Japanese Government, with its present Constitution, that it offer assurances after a treaty that the armed forces which it is not permitted by its Constitution to have will not be very big.

The thing I worry about in the short term, Ambassador Dulles continued, is that Japan will *not* recreate adequate armed forces. There is no worry in our minds about an unduly large force or naval or air forces. The U.S. is not willing to station forces in Japan for very long unless the Japanese do something on their own account. It would be unwise to take action of the type Mr. Spender proposes which could be used as an excuse by the Japanese for not doing all they can for their own defense. The U.S. troops will bring Japan dollars which it may well be reluctant to cut off by rearming. Instead of earning approximately 100 million dollars a year from our forces the Japanese would be incurring large expenditures each year for the creation and support of a Japanese army. Their tendency is all too likely to be to stay neutral, to seek the continued presence of U.S. forces, and to concentrate on raising their standard of living. It must be a strange thought to you to consider that the problem for the next five to ten years will be to *get* Japan to create land forces but that is the case. While in Japan I emphasized that the Japanese should look to the creation not of national forces but of collective security forces. Sooner or later, I said, Japan must pull its weight in the boat. What the U.S., Australia, New Zealand and other countries must try to do is to ensure that the development of armed forces in Japan will be for purposes of collective security. The environment we create in and about Japan will largely determine this.

Mr. Spender said that the problem he had put to Ambassador Dulles was primarily a political one. Ambassador Dulles replied that he realized this and perhaps something could be worked out combining both Mr. Spender's and his thoughts, something that the public could see, as they would be able to see a Pacific Pact. Mr. Doidge cited as an example of the sort of thing that contributed to fear of Japan in his country a newspaper report that the Japanese had sought Ambassador Dulles' support for Japanese emigration to New Guinea. Ambassador Dulles said that no Japanese had approached him with this idea and that it was a terrible thing that the press representatives of Australia and New Zealand appeared to send home stories deliberately designed to inflame the people.

[For the remainder of this conversation, see page 885.]

Lot 54D423

Draft of Security Treaty

TOP SECRET

CANBERRA, February 17, 1951.

(For Consideration By the Governments of Australia, New Zealand
and the United States of America)

The Parties to this Treaty

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the Pacific Area,

Noting that the United States already has arrangements pursuant to which its armed forces are stationed in the Philippines, and has armed forces and administrative responsibilities in the Ryukyus, and upon the coming into force of the Japanese Peace Treaty may also station armed forces in and about Japan to assist in the preservation of peace and security in the Japan area,

Recognizing that Australia and New Zealand as members of the British Commonwealth of Nations have military obligations outside as well as within the Pacific area,

Desiring to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that any of them stand alone in the Pacific area, and

Desiring further to coordinate their efforts for collective defence for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,

Therefore declare and agree as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II

In order more effectively to achieve the objectives of this Treaty the Parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE III

The Parties will consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific.

ARTICLE IV

Each Party recognises that an armed attack in the Pacific area upon any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE V

For the purpose of Article IV, an armed attack on any of the Parties is deemed to include an armed attack on the metropolitan territory of any of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.

ARTICLE VI

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VII

The Parties hereby establish a Council on which each of them shall be represented to consider matters concerning the implementation of

this Treaty. The Council shall be so organised as to be able to meet promptly at any time and may set up such subsidiary bodies as may be necessary to accomplish its purposes.

ARTICLE VIII

The Parties recognise that this Treaty may be more effectively implemented in association with other States and groups of States not parties to this Treaty. The Council, established by Article VII, shall therefore maintain the closest possible relations with and consult with other States in a position to further the purposes of this Treaty and to contribute to the security of the Pacific area. The council shall also co-ordinate its planning so far as possible with that of other regional organisations and associations of States of which one or more of the Parties are members.

ARTICLE IX

This Treaty shall be ratified by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of Australia, which will notify each of the other signatories of such deposit. The Treaty shall enter into force as soon as the ratifications of the signatories have been deposited.

ARTICLE X

This Treaty shall remain in force indefinitely. Any Party may cease to be a member of the Council established by Article VII one year after its notice has been given to the Government of Australia, which will inform the Governments of the other Parties of the deposit of such notice.

ARTICLE XI

This Treaty in the English language shall be deposited in the archives of the Government of Australia. Duly certified copies thereof will be transmitted by that Government to the Governments of each of the other signatories.¹

¹ Another text, also bearing the dateline "Canberra, February 17, 1951," is identical to that reproduced here except for one major modification. Articles VII and VIII are omitted, and the following passage is inserted between Articles VI and IX:

"(Possible alternate to Articles VII and VIII, to meet J.C.S. comments:

The parties hereby establish a Council on which each of them shall be represented to consider matters concerning the implementation of this Treaty. The Council should be so organized as to be able to meet promptly at any time. It shall maintain a consultative relationship with states in a position to forward the purposes of this Treaty and to contribute to the security of the Pacific area.)"

(Lot 54D423)

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.

Done at _____ *this* _____ *day of* _____ 1951.

790.5/2-1851

*Mr. John Foster Dulles, the Consultant to the Secretary, to the
Minister for External Affairs of New Zealand (Doidge)*

CONFIDENTIAL

CANBERRA, February 18, 1951.

MY DEAR MR. MINISTER: I shall take back with me to Washington the "Draft Treaty for consideration by the Governments of Australia, New Zealand and the United States of America."¹ I am hopeful that the step envisaged by this draft will commend itself to my Government. At the same time, I must emphasize that I have no authority to commit my Government to its acceptance and that a final decision on the part of my Government must wait upon the report which I shall make upon my return and upon consideration by my Government of the bearing of the proposed treaty, both in substance and in detailed wording, upon all elements of a world situation which is so delicate that no single step should be taken without fully appraising all of its possible repercussions and implications.

As I told you, the instructions to our Mission contemplated a Pacific security arrangement more comprehensive than merely a three party treaty to supplement existing or prospective arrangements of the United States in relation to other Pacific island areas. Consequently, such a limited arrangement as is envisaged by the draft referred to has not yet been given authoritative consideration by the various interested departments of my Government.

In this connection I recall that the present draft was prepared to enable us to explore together matters of substance and without prejudice to the question of who might be the parties. The United States desires clearly to reserve the position of the Philippine Republic in this respect.

I further recognize that there is an interdependence between the contemplated Japanese peace treaty, which we have also discussed, and the contemplated security treaty in the sense that neither of us would be obligated to accept one without the other.

I take this occasion to express the gratification which I feel at having had the opportunity to participate, on behalf of the United States, in these discussions with the Governments of Australia and New Zealand and my belief that these discussions have served to

¹ *Supra.*

bring about closer understanding in the interest of our common welfare and of international peace and security.

I am writing an identical letter to the Minister for External Affairs of Australia.²

I am, with assurance of my high regard,

Sincerely yours,

JOHN FOSTER DULLES

²In telegram 222 from Canberra, February 19, marked "From Dulles", the Embassy reported in part: "Dening has been kept informed and has expressed general approval of Pact and his personal approval of inclusion of Philippines. Some objection to Japanese Treaty remain but we believe will not be stubbornly pressed if Security Pact approved by us. Atmosphere most cordial." (790.5/2-1951)

A joint communiqué issued at the close of the Canberra discussions by Messrs. Spender, Doidge, and Dulles forms the text of telegram 225 from Canberra, February 20, not printed. (790.5/2-2051)

Lot 54D423

Mr. John Foster Dulles, the Consultant to the Secretary, to the Supreme Commander for Allied Powers (MacArthur)

TOP SECRET

WASHINGTON, March 2, 1951.

[Here follows a portion of the letter which did not deal primarily with regional security matters (printed on page 900).]

In Canberra I had a talk with the Prime Minister, a meeting with the Cabinet, and numerous joint conferences over a period of four days with Spender, the Minister for External Affairs, and Doidge, the Minister for External Affairs of New Zealand. Our initial talks dealt entirely with the question of a Pacific Island Security Pact since it was obvious that the willingness of Australia and New Zealand to accept the United States version of a Japanese Peace Treaty would be conditioned by the degree to which the United States would formalize its security relations to them.

Our initial discussions were devoted to the question of the membership of a possible Pacific Island Pact. Both Australia and New Zealand wanted it limited to a tripartite arrangement between themselves and the United States, while we urged the inclusion of the Philippines and the eventual admission of Japan, at such time as the latter would be in a position to qualify under the terms of the Vandenberg Senate Resolution which requires "continuous and effective self-help and mutual aid."

Australia's and New Zealand's attitude on membership was influenced by their concern over public reactions to an "alliance" with Japan at this time and by the United Kingdom's objection to the inclusion of any Asiatic nation without the inclusion of others. The United Kingdom, as you know, is unwilling to see a general Pacific Island Pact created which does not include herself and yet, at the

same time, does not want to join an island pact for fear of the effect of such action on the security and stability of her possessions on the Asia mainland. New Zealand, in particular, is very sympathetic towards this British attitude and is unlikely to take any action in opposition to it.

We finally agreed to draft a proposed treaty which would make no mention of membership and which would be so worded as to permit the inclusion of any number of states as and when such action became desirable and politically feasible. We made it clear that the United States might find it necessary to insist on the Philippines as a charter member and both Foreign Ministers indicated that, in their personal opinions, there would probably be no serious objections to such action. As yet we have no official indication as to British reaction to the inclusion of the Philippines.

A copy of the Draft Security Treaty which we agreed to bring back to Washington for consideration by the Government is enclosed with this letter. Since it has had very limited distribution here and since there has been no admission of its existence, I would appreciate it if you would consider it as furnished you solely for your own information. Certain features of it are discussed briefly below:

Preamble

The second paragraph recognizes the United States' commitments in Japan, the Ryukyus and the Philippines and is designed to tie this treaty in with those areas in the event that Japan and the Philippines are not initially members of the pact.

The third paragraph is a recognition of Australia's commitments in Malaya and New Zealand's commitments in the Middle East.

Article II

This is a quotation from the Vandenberg Senate Resolution and is included to facilitate ratification by the U.S. Senate.

Article IV

This is the meat of the treaty. The language is drawn from the Monroe declaration. While it commits each party to take action, (presumably go to war) it does not commit any nation to action in any particular part of the world. In other words, the United States can discharge its obligations by action against the common enemy in any way and in any area that it sees fit.

Article VII

Both Australia and New Zealand expressed a desire that the council and its subsidiary bodies be kept as small and simple as possible. They are particularly concerned that no large organization comparable to NATO be set up. The United States and New Zealand seemed to agree that the military portion of the council should be in Melbourne where

the British Commonwealth Joint Chiefs of Staff are located, but Australia wanted it located in Washington, presumably because they want to establish contact with the overall military planning agencies located in the United States.

Article VIII

This article permits liaison and consultation with other states. Australia and New Zealand desired this in order to help overcome the objections of the United Kingdom to a Pacific Pact of which she was not a member. The last sentence is designed primarily to permit coordination in planning between the Pacific Pact and a U.S.-Japan Bilateral Pact until Japan can become a member of the former. This would also permit coordination between the council of the Pacific Pact and the United States in regard to Philippine defense in the event that the Philippines were not a charter member. Also, Australia wants some liaison with NATO.

Article X

Australia and New Zealand desired a twenty year treaty while we desired no mention of the duration. It may be necessary to include a clause specifically authorizing denunciation of the treaty although withdrawal from the council can be interpreted as, in effect, accomplishing denunciation.

[Here follows a discussion of Japanese peace treaty matters unrelated to security (printed on page 902).]

790.5/3-1351 : Telegram

The Secretary of State to the Embassy in Australia

SECRET

WASHINGTON, March 13, 1951—7 p. m.

237. For the Ambassador from Dulles. Please deliver the following personal and secret message from me to Mr. Spender :

“Thank you for your good letter of March 8¹ delivered to me through the courtesy of the Australian Embassy in Washington. I was glad to learn that you had presented London with the text of the draft agreement completed in Canberra making clear our position particularly with respect to the Philippines. I returned to Washington on February 26 and the very next day I discussed this matter with Sir Oliver Franks and requested him to obtain officially the views of the United Kingdom foreign office on inclusion of the Philippines. He himself is now in London, but we have not yet had any reply. As a result of our private discussions here in the State Department and with members of Congress since our return, we are convinced of the necessity of the Philippines being invited to be a party to the con-

¹ Not found in Department of State files.

templated security arrangement from the beginning and we made this clear to Franks. Pending further word from London we have not endeavored to get any final clearance in Washington of the Canberra draft, but such informal discussions as we have had lead me to be optimistic concerning this matter, assuming the Philippines can be included.

I unhesitatingly agree with you that we should make every effort to get ahead as fast as possible and that it would be unwise to postpone consideration of any Pacific security arrangement until after the possible meeting of Commonwealth Defense Ministers in May² which you mention.

Among other reasons is the state of public opinion in Japan which calls for prompt affirmative action on a peace settlement and we know you consider that this matter and the subject of our Canberra talks should move ahead *pari passu*.

I shall keep you informed of developments here. I would have communicated earlier except that I have been expecting daily to hear from London. If we run into trouble I may suggest that you make a quick trip to London or Washington or both to expound personally the Australian point of view as you suggest might be possible. I still hope that the representations we have both made will make this unnecessary. Best regards. John Foster Dulles."

ACHESON

² A conference of Commonwealth Ministers of Defense took place in London June 21-26. The Conference was devoted largely to Middle Eastern questions. Documentation concerning the U.S. attitude towards certain of these questions is included in the regional defense compilation in volume v.

694.001/3-1551 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, March 15, 1951—6 p. m.

2785. For Dulles from Cowen.¹ While security and reparations are both questions related to Philippine attitudes toward Japanese and Japanese peace treaty, I would be unable attempt assess extent to which inclusion Philippines in Pacific Security Pact might soften Philippine attitude on reparations unless I also know what terms of pact would be and who would be the other members. If Japan were also to be member, Philippine reaction might be negative from fear that Philippines would become junior partner possibly with Philippine troops expected under certain circumstances serve under Japanese commanders. If US were only member of pact able bring strength to membership, and sense security afforded by pact probably would not be great as we already are publicly committed defend this country against outside aggression. If on other hand, Australia and New Zealand were also members and Philippines were afforded treaty guar-

¹ This telegram is a reply to queries contained in telegram 2048 to Manila, March 8, p. 904.

antees against aggression from a resurgent Japan [as] well as against attack from other quarters, then Philippines might reconcile itself with less ill-grace to realities of reparations situation. Again if Philippines not included as original member of any such pact, much of its value as agency for reconciling Philippines to realities of reparations situation would be sacrificed as President Quirino has been advocating a Pacific pact for last two years and his *amour-propre* would scarcely permit him accept with good grace situation in which Philippines could not be one it [of] its original members. In passing I would add that Philippines' neurotic anxiety re security is rooted so deeply that assurances and pacts can mitigate but not eliminate it, and that Philippines wants not security in place reparations but security and reparations.

[Here follows the remainder of this telegram (printed on page 926).]

COWEN

694.001/3-3051 : Telegram

*The Secretary of State to the Embassy in Indonesia*¹

SECRET

WASHINGTON, March 30, 1951—5 p. m.

1057. It is Dept's present intention proceed expeditiously as possible with negot of Jap peace treaty. In this connection we consider mutual declarations in Monroe Doctrine terms covering US, Phil, Austral and NZ and perhaps Indo[nesia]. You shld understand that idea of this security arrangement has its origin in unwillingness of Australia, NZ and perhaps Phil to agree to a Jap peace treaty which wld permit Jap rearmament and economic recovery unless possible threat of renaissance of Jap as potential aggressor in Pacific be counterbalanced by some security declarations making integrity of Jap's island neighbors formally of concern to US. For your most secret info it is Dept's hope that at some future time Jap itself might be brought into the security arrangement, in which event all parties wld share in determination of steps which Jap might take to contribute to collective security.

During Amb Dulles visit to Jap, Phil, Austral and NZ the ideas of such a security arrangement were put forward, particularly by Austral and NZ and at Canberra embodied in a draft,² copy of which now in your hands.

As many documents testify, including the Pres's instrs to Mr. Dulles of last Jan,³ it has always been our thought that Indo[nesia] shld

¹ Telegram drafted by Mr. Dulles and William S. B. Lacy, Director of the Office of Philippine and Southeast Asian Affairs.

² Reference is to the draft of February 17, p. 172.

³ For text of the President's letter to Mr. Dulles of January 10, see enclosure 2 (as annotated) to Mr. Acheson's letter to Secretary Marshall of January 9, p. 788.

be included in any such security arrangement. It is our belief, however, based on your reporting, that Indo[nesia] will not in all likelihood be prepared participate this time. We understand, however, that for obvious reasons Indo[nesia] hopes to receive an indication she wld be welcome, which, however, she can regret.

Dept believes that failure to invite Indo[nesia] participation wld be unfortunate in what many in south and southeast Asian countries wld believe themselves excluded from ambit of Amer protection and faced with yet another evidence of white Anglo-Saxon unity in Pacific, to which they attach their little friend the Phil and that such an arrangement in Pacific might encourage South Asian nations to gravitate toward "independent neutrality" policy of Nehru with attendant relaxation of efforts against communism—Chi and indigenous, also differences NG might well be exacerbated.

For foregoing reasons Dept believes US shld officially indicate to Indonesia its desire that Indo[nesia] shld be invited participate in the Pact even though we are fully aware Indo[nesia] wld in all probability reject invitation. To achieve desired effect fact of US desire to include Indo[nesia] shld be made public knowledge. This in turn means of course greatest care must be exercised in determining timing and character approach Indo[nesia] and agreeing with Indo[nesian] Govt what it shall say in reply.

You of course will bear in mind ameliorative effect which Pact if properly presented to Indo[nesian]s and Austral may have on the NG situation in so much as Pact wld indicate mutual concern with the territory of the signatories as against armed attack. If both Austral and Indo[nesia] were parties, each wld be concerned with the integrity of the other. If only Australia, but not Indo[nesia] is signatory, territorial integrity of Eastern NG wld be matter of concern to other signatories. We do not want to provide any ground for assumption that what is contemplated indirectly to advantage of Austral as against Indo[nesia] in NG.

Bear in mind that the initiative in ascertaining Indo[nesian] attitude toward participation wld probably have to be taken by US alone. We (wld not want to make, nor wld it be practical to make Australia or others parties to the invitation particularly since such procedure wld imply they had a preferential position as against Indo[nesia]. We wld probably have to let Australia and NZ and perhaps UK know that we were ascertaining the attitude of Indonesia prior to making any final decision on the whole matter.

Dept appreciate your earliest comments on foregoing.

ACHESON

694.001/4-451: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, April 4, 1951—noon.

1361. Concur with Deptel 1057¹ idea Indo[nesia] shld receive from US indication RI wld be welcome participate in Pacific Security Pact. Now that Dulles has given draft Jap peace treaty to Amb Ali to forward to Indo, I feel invitation to participate security arrangement shld not be unduly delayed lest Indos suspect hesitancy on our part to invite them, and effect of invitation be nullified.

Darmasetiawan² expressed again Mon to Emb officers live interest in receiving shortly from Amb Ali documentation in regard Jap peace treaty. Both FonMin Roem and Darma[setiawan] are shy on committing themselves on either Jap treaty or Pacific Pact but wld I am sure like to have their govt given every show of consideration in connection therewith.

Months ago President Sukarno asked me re prospects for Pacific Pact and manifested keen interest therein. I believe we shld let him know of any approach we make to Indo Government. We wld strive convince him of advantage Indo cld derive from protection which pact affords its participants against aggression by either signatory or nonsignatory nations. Indo entering pact shld have better opportunity for peaceful understanding with Austral on rights of each in NG. Conceivably these arguments might influence Sukarno toward pressuring Indo Government into accepting participation.

I realize danger of encouraging Indos unduly with respect their claim to NG in view hesitancy Dept take sympathetic stand on this one big issue of Sukarno at risk offending our white friends, particularly Neth and Austral. Under Sukarno's maneuvering NG question is being used to unify Indo and undermine union. As long as Neth remains adamant against transfer NG and US refrains from questioning that attitude, Dept shld be aware that Pacific Pact might aggravate differences between western peoples and Indos, whether Indo is left out and western powers guarantee Austral from threat to territorial integrity NG, or whether Indo comes into pact and white members of pact associate with Neth in opposing Indo claim to NG.³

COCHRAN

¹ *Supra.*² Secretary-General of the Indonesian Foreign Ministry.³ In reply the Department telegraphed: "Urtel 1361, Apr 4 appreciated. Dept now urgently considering certain changes in character security arrangements described Deptel 1057. Do not therefore discuss this matter with any Indo[nesian] official until proposed modifications have been communicated to you." (Telegram 1091 to Djakarta, April 6; 694.001/4-451)

694.001/4-551

The Secretary of State to the Secretary of Defense (Marshall)

SECRET

WASHINGTON, April 5, 1951.

MY DEAR MR. SECRETARY: I enclose herewith a draft of a suggested memorandum to the President which the Secretaries of State and Defense might sign jointly if it meets with your approval. The Memorandum is, I think, largely self-explanatory and a copy was provided informally to your Department on April 3. Mr. Dulles or I shall be glad to supply supplementary background, if you desire.

I hope that this can be considered by the Department of Defense as a matter of urgency. The political situation, particularly in Australia where the Japanese peace settlement has been made an issue in pending general elections (the vote to take place on April 28) makes it important that we should be able promptly to indicate a willingness, at least in principle, to make a security arrangement with Australia and New Zealand along the lines approved by the President's letter of January 10, 1951.¹ Also this willingness has a close bearing on currently active negotiations with the United Kingdom regarding a Japanese Peace Treaty which will not exclude rearmament by Japan.

I understand that the documents brought back by Mr. Dulles² from his Presidential Mission to the Western Pacific and the State Department's tentative and suggestive draft of a Japanese Peace Treaty³ are under consideration by your Department. I hope, however, that it may be practical to get the enclosed memorandum to the President without awaiting the complete views of the Department of Defense with reference to the detailed language of the other documents referred to.⁴

Sincerely yours,

DEAN ACHESON

[Enclosure]

SECRET

DRAFT MEMORANDUM FOR THE PRESIDENT

In your letter of January 10, 1951 designating Mr. John Foster Dulles as your special representative for the purpose of conducting

¹ For text, see enclosure 2 (as annotated) to Mr. Acheson's letter of January 9 to Secretary Marshall, p. 788.

² See Mr. Dulles' letter (with enclosure and annexes) of February 10 to Secretary Acheson, p. 874.

³ See the draft of March 23, p. 944.

⁴ In a covering memorandum of April 5 to the Secretary, Mr. Dulles stated in part: "It is my intention, as soon as the letter is signed, to take it personally to Secretary Marshall and deliver it to him, together with a general explanation of its background." Record of such a conversation with Secretary Marshall has not been found in Department of State files.

negotiations incident upon bringing about a Japanese Peace Treaty you stated *inter alia* that the United States:

“Desires that Japan should increasingly acquire the ability to defend itself, and that, in order further to implement this policy, the United States Government is willing to make a mutual assistance arrangement among the Pacific Island nations (Australia, New Zealand, the Philippines, Japan, the United States and perhaps Indonesia) which would have the dual purpose of assuring combined action as between the members to resist aggression from without and also to resist attack by one of the members, e.g. Japan, if Japan should again become aggressive.”

Consideration of this matter, particularly during the course of Ambassador Dulles' visit to Japan, the Philippines, Australia and New Zealand, made apparent that the desired results can be better achieved by a *series* of arrangements rather than by a *single* arrangement.

1. Japan is not legally, economically or politically in a position now to undertake what the Vandenberg Resolution speaks of as “continuous and effective self-help and mutual aid”. Therefore, it would not be practical at this time to make more than a *provisional* arrangement with Japan which, as contemplated by the memorandum which you approved on September 7, 1950, would give the United States the right to garrison forces in Japan while avoiding any prohibition of Japan's inalienable right to self-defense and to possess the means to exercise that right. Accordingly, the Dulles Mission drafted in Japan the tentative text of a bi-lateral treaty along these lines which would in essence give the United States the right to maintain armed forces in and about Japan until the United States was of the opinion some other arrangement would satisfactorily provide for security in the Japan area. In this connection the Japanese Prime Minister stated in his communiqué issued concurrently with Mr. Dulles' final communiqué in Japan that “when we recover our independence and join the council of free nations as an equal member, the substance and scope of the Japanese contribution will be determined according to the extent of our economic and industrial recovery.”⁵

2. In the case of the Philippines, Ambassador Dulles found interest in a mutual assistance arrangement with the United States which would not, however, put the Philippines in the position of being in effect an “ally” of Japan. This latter is a step for which their public opinion was not yet prepared.

3. In the case of Australia and New Zealand it was found that their public opinion also would not accept an “alliance” with Japan but that there was much interest in a mutual assistance arrangement, initially limited to Australia, New Zealand and the United States. This would provide for consultation and coordination of planning with other states in a position to contribute to the security of the Pacific area. The

⁵ Full texts of the two communiqués issued February 11 are included in telegram 1548 from Tokyo, February 12, not printed. (694.001/2-1251)

tentative text ⁶ of such an arrangement was drafted, in Canberra, by Ambassador Dulles and the Foreign Ministers of Australia and New Zealand.

4. The United Kingdom has strongly objected to a single arrangement between the United States, Japan, the Philippines, Australia, New Zealand and possibly Indonesia, on the theory that to identify in this way the *island chain* would increase the *mainland* danger, particularly to the U.K. positions in Hongkong and Malaya. However, the United Kingdom does not object to a series of arrangements between the United States and Japan, the United States and the Philippines, and the United States, Australia and New Zealand, which would provide for consultation and coordinated planning with as common denominator the influence and participation of the United States.

5. With respect to Indonesia there is evidence that it wishes to be invited to participate in some form of mutual security arrangement, but that it would not accept such an invitation. Politically it may be important to have it publicly known that Indonesia would be welcome in a mutual security arrangement and this matter is now being given further study.

With your approval, a tentative and suggestive draft of a Japanese peace treaty has now been circulated which, in accordance with the memorandum you approved on September 7, 1950, will not restrict Japan's right to rearm. It is thus important that the United States promptly be in a position to announce publicly its intention to supplement this treaty proposal by arrangements for "assuring combined action . . . if Japan should again become aggressive." (Your letter of January 10, 1951.)

It is accordingly recommended that Mr. Dulles' terms of reference as contained in your letter of January 10, 1951, be amended to authorize "mutual security arrangements" (plural) instead of "a mutual security arrangement" (singular).

It is believed that the three arrangements contemplated, one with Japan, one with the Philippines, one with Australia and New Zealand, and possibly one with Indonesia, will in fact achieve what your letter of January 10, 1951 described as "the dual purpose of assuring combined action as between the members to resist aggression from without and also to resist attack by one of the members, e.g., Japan, if Japan should again become aggressive." ⁷

⁶ Reference is to the draft of February 17, p. 172.

⁷ In a memorandum to Mr. Dulles of April 3, George W. Perkins, Assistant Secretary of State for European Affairs, had stated: "My only comment on the draft memorandum to the President on the Pacific security arrangement is that it is excellent. From our point of view the proposed change from one pact to three is an improvement." (Lot 54D423)

694.001/4-551

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*

SECRET

[WASHINGTON,] April 5, 1951.

Subject: Japanese Peace Treaty and Allied Security Arrangements

Participants: Sir Oliver Franks, British Ambassador

FE—Dean Rusk

S—John Foster Dulles

John M. Allison

[Here follows the portion of this memorandum devoted to discussion of a Japanese peace treaty (on page 964).]

Sir Oliver then turned to the question of the Pacific Pact and said that he was now prepared to give the considered views of his government on this question. He confirmed that the main concern of the United Kingdom Government was the inclusion of the Philippines in a single Pacific security arrangement with the United States, Australia and New Zealand. Prior to giving the reasons for his government's stand, Sir Oliver said he wished to make two important general statements and these were taken down at the time as follows:

1. "The United Kingdom is most anxious that any discussions on the Philippine issue in relation to a Pacific Pact should not in any way jeopardize the successful conclusion of a Pacific Pact between Australia, New Zealand and the United States."

2. The action being taken in this respect by the United Kingdom Government is with the full knowledge of the Governments of Australia and New Zealand.

Sir Oliver went on to say that the United Kingdom hopes very much that the problem of the Philippines can be dealt with other than by straight inclusion of them in a Pact with Australia and New Zealand. While admitting that it was of no official concern to the United Kingdom what action the United States deemed desirable in relation to the Philippines, he wished to state that if the United States desires to do exactly the same thing with the Philippines and at the same time as with Australia and New Zealand, the United Kingdom would have no objection. In response to questions Sir Oliver made clear that this meant that the United States could conclude with the Philippine Islands an identical and simultaneous arrangement with that being concluded with Australia and New Zealand.

Sir Oliver stated that in the opinion of his government, it would have a very bad effect on the countries of Southeast Asia, both island and mainland, to pick out only one of the Southeast Asian countries for inclusion in a Pact and leave out the others. The United Kingdom had hoped that over a period of time it would be possible to bring

many of the countries of that area together in some common defense arrangement, but that it would be invidious to set up at this time what would appear to be a general defense arrangement and have only one of the Southeast Asian countries included. The Government of the United Kingdom appreciates the point made by the United States that an arrangement restricted to Australia, New Zealand and the United States might appear to be a banding together of white powers as opposed to yellow or brown. However, the United Kingdom is not certain that the purposes of the United States would best be secured by the inclusion of the Philippines. The special relationship of the Philippines to the United States is well known throughout Asia and the United Kingdom Government fears that the solitary inclusion of the Philippines might have the opposite effect of that intended.

Sir Oliver was questioned as to the exact meaning to be placed upon his first statement that the United Kingdom did not wish to jeopardize conclusion of a Pact between Australia, New Zealand and the United States, and in response he said that speaking personally he would assume that should the United States, after consideration of the matter, determine that for what seemed to it good reasons such as, for example, Congressional opinion, it could only go ahead with a Four-Power Pact that the United Kingdom under those circumstances would reconsider its position. However, he was certain that the United Kingdom views were strongly held and that it would be most unhappy to see the Philippines included in a single Pact with Australia and New Zealand. Mr. Dulles stated that while he regretted the position taken by the United Kingdom Government, nevertheless we would give it the most serious consideration in an effort to see whether or not it would be possible to accommodate our views to theirs.

[Here follows resumption of discussion relating to the question of a Japanese peace treaty (on page 967).]

694.001/4-651

*The Secretary of State to the Secretary of Defense (Marshall)*¹

SECRET

WASHINGTON, April 6, 1951.

MY DEAR MR. SECRETARY: Since my letter to you of April 5, 1951,² the British Ambassador has called on us and informed us of the views of his Government with respect to possible security arrangements in the Pacific. The position is, briefly, that the British Government absolutely opposes a single arrangement which would bring together Japan, the Philippines, Australia, New Zealand, and the United States. It strongly opposes a single arrangement which would bring together

¹ Letter and enclosure drafted by Mr. Dulles.

² *Ante*, p. 183.

the latter four. It sees no objection to a tri-partite arrangement between Australia, New Zealand and the United States, and a similar and simultaneous bi-lateral arrangement between the Philippines and the United States. The Ambassador indicated that, in the last analysis, if the United States found itself unable, for what seemed adequate reasons, to proceed by means of simultaneous tri-partite and bi-lateral pacts as indicated in the last preceding sentence, the United Kingdom might in the end recede from its position as regards a quadri-partite pact. It is, however, evident that to seek this solution would involve considerable delay.

The views of this Department remain as expressed in my letter of yesterday. Since, however, we are now in a position to act with knowledge of what the U.K. position is, and in view of the importance of some prompt public statement, I suggest that in conjunction with the memorandum for the President, suggested by my letter of April 5, he also be requested to make a public statement along the lines of the enclosed draft.

From the standpoint of this Department there would be great advantage to the entire Pacific situation if such a statement could be made by the President by the latter part of next week. Also, if it is to be made, there should be some advance notice given to the Governments of Australia, New Zealand and the Philippines.

I will appreciate an early expression of the views of the Department of Defense with reference to the foregoing.

Sincerely yours,

DEAN ACHESON

[Enclosure]

Draft Presidential Public Statement

In connection with the re-establishment of peace with Japan, the Governments of Australia and New Zealand have indicated their interest in an arrangement with the United States, pursuant to Articles 51 and 52 of the United Nations Charter, which would make clear that no one of the three would be indifferent to an armed attack on the other in the Pacific; which would establish consultation to strengthen security on the basis of continuous and effective self-help and mutual aid, and which would assure consultation and cooperation of planning with other nations in a position to contribute to the security of the Pacific area and with other regional associations of which one or more of the parties is a member.

The possibilities of such an arrangement were fully explored by Mr. John Foster Dulles at Canberra, Australia, and Wellington, New Zealand.

At Manila, President Quirino and at Washington, Foreign Minister Romulo of the Philippine Republic³ indicated the desire of their Government to enter into an arrangement with the United States similar to that above described, and which would supplement the existing arrangements pursuant to which the United States is accorded certain military operating rights and facilities in the Philippines.

The United States maintains and expects to continue to maintain its armed forces in the Ryukyus, particularly at Okinawa, and in connection with the Japanese Peace Treaty we are discussing with the Japanese Government the implementation of its expressed desire for post-treaty security arrangements.

The possibility of arrangements along the lines indicated has been informally discussed with the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House and I have now asked the Secretary of State, the Secretary of Defense and Mr. Dulles, as my Special Representative in relation to the Japanese peace settlement and related matters, to pursue further these matters concurrently with the prosecution of the other negotiations necessary to bring the Japanese peace settlement to a satisfactory conclusion.

The Government of Indonesia has been informed of the pending discussions and of the desire of the United States to take its wishes and interests into account. [This reference to Indonesia is subject to further consideration.]⁴

We believe that the series of arrangements outlined above would strengthen the fabric of peace in the whole Pacific Ocean area, where security is strongly influenced by sea and air power. We believe that the steps contemplated are natural initial steps in the consolidation of peace in that area and also will contribute to the building of universal peace as sought by the United Nations and to which great goal the sacrificial efforts of our nation are now being largely dedicated.

³ The exact date of Mr. Dulles' discussion of this subject with General Carlos P. Romulo (who was also Chief of the Philippine Delegation to the United Nations) is uncertain. See telegram 2445 to Manila, April 16, p. 206.

⁴ Brackets appear in the source text.

Editorial Note

In telegram 267 to Canberra, April 6, marked "From Dulles for Spender", the former stated in part: "Since further to explore this quadri-partite arrangement with inevitable further talks with UK wld involve considerable delay, and since your and NZ preference is for triangular arrangement, we are concentrating upon trying to clear this within our own govt. This involves mil as well as domestic prob-

lems and exploration with Phil Govt. We shall, however, do all possible to create a situation which wld make it possible to make an authoritative high-level statement of purposes along lines of Canberra talks by about Apr. 15." (694.001/4-651)

Mr. Spender replied on April 13. "I was pleased to receive your message of 5th [6th?] April and to know that you are concentrating on trying to clear the triangular arrangement. As you say, this is the solution we and New Zealand would prefer, particularly if it would involve, as seems likely, less delay than a quadripartite agreement. A three power arrangement would also receive the wholehearted support of the United Kingdom." In the remainder of his message, which has not been found in State Department files, Mr. Spender outlined his proposal for a public statement to be made by the Australian Government in conjunction with the projected statement by President Truman.

For text of the message, see *Exercises in Diplomacy*, page 168.

790.5/4-951

The Ambassador in Thailand (Stanton) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

CONFIDENTIAL

PERSONAL

BANGKOK, April 9, 1951.

MY DEAR MR. RUSK: I probably have no business expressing my views regarding the proposed Pacific Pact, inasmuch as my views have not been requested. However, on the basis of a Washington AP despatch dated April 3, which outlines what are alleged to be Mr. Dulles' views on this matter as expressed in a speech at Whittier College in Los Angeles,¹ I feel I must at least write you of my own personal reaction to this proposal. My concern stems primarily from the intimation contained in the news report, and also from what Brad Connors² told me, indicating that the Pact will be exclusive and that the South Asian countries are not to be included.

I realize of course that many of the South Asian countries, for instance, India, Burma and Indonesia are not at present in a mood to join in any kind of a pact which definitely aligns them against the Commies, and that in consequence it is not possible, as much as we might desire it, to see all South Asian nations joined together in a

¹ For the text of the address "Peace in the Pacific" delivered March 31, see "Press Releases of the Department of State, 1951", No. 237, March 29.

² W. Bradley Connors was Officer in Charge of Public Affairs in the Bureau of Far Eastern Affairs.

mutual defense pact. Nevertheless, I do feel, and very strongly, that it is a mistake for the United States to enter into a multilateral but exclusive pact, for the reason that those countries not included will feel that the United States is no longer seriously interested in their security and their future.

I feel that the conclusion of an exclusive pact will most seriously, if not disastrously, affect our basic policies and objectives vis-à-vis the South Asian nations. For the past four years we have, by friendly diplomatic support and the extension of aid where aid was wanted, endeavored to convince the South Asian nations that the United States is indeed their friend and a friend to whom they could look for support in case of serious trouble. In other words our policies have engendered definite hope amongst the smaller nations of South Asia, and I am sure the respective leaders of such countries as Burma and Indonesia, carry on in the expectation that if worst happens we would somehow help them. I am absolutely certain that the conclusion of a Pacific Pact limited to say Australia, New Zealand and the Philippines, would be taken by the Thai Government and informed Thai to mean that we are writing off Thailand and all of Southeast Asia. I think such a development would very definitely cause all Southeast Asian countries, including Thailand, to yield to Commie pressure.

I have been told that it was necessary to agree to the idea of a Pacific Pact in order to win the support of Australia and New Zealand to the conclusion of a peace treaty with Japan. This may be the case, but it is hard for me to understand why, if a *quid pro quo* was absolutely necessary we could not enter into a bilateral understanding with each of these countries. An undertaking on a bilateral basis would not particularly harm our relations with the South Asian nations. But may I say again that the conclusion of any multilateral but exclusive pact will not only be impossible to explain to friendly South Asian nations, but will most seriously undermine our policies and diplomatic efforts in this part of the world. Frankly I would feel that United States diplomacy in South Asia had suffered a most serious set back and that our various aid programs had been rendered virtually meaningless and ineffectual. If an exclusive Pacific Pact were to materialize and to that be added the drastic reduction apparently contemplated in our economic aid programs to Thailand and possibly other Asian countries, the total impact of these events can only engender disillusionment and despair amongst those countries and the rapid burgeoning of a spirit of accommodation and submission to communist dictates.

Yours very sincerely,

EDWIN F. STANTON

S/P Files: Lot 64D563

*Memorandum on the Substance of Discussions at a Department of State-Joint Chiefs of Staff Meeting*¹

TOP SECRET

[WASHINGTON,] April 11, 1951—11 a.m.

PRESENT²

General Bradley	Admiral Robbins
General Collins	General Rogers
Admiral Sherman	Colonel Cress
General Vandenberg	Colonel Carns
General Bolte	Mr. Dulles
Admiral Davis	Mr. Matthews
Admiral Duncan	Mr. Ferguson
Admiral Lalor	Mr. Marshall
General White	Mr. Lay
General Maddocks	Mr. Gleason
Admiral Wooldridge	

In a brief preliminary session involving the Joint Chiefs of Staff, Admiral Lalor, Colonel Carns, Mr. Matthews and Mr. Marshall, General Bradley raised a question about the status of minutes. He said subordinated individuals in the State Department had discussed certain topics with subordinates in the JCS establishment, citing minutes kept by the State Department participants as to what particular members of the JCS had said on particular issues at particular times in the State-JCS sessions. General Bradley said that such minutes were to be kept for the convenience of the individuals taking them and not for guidance of others and not to be considered authoritative. He said that agreed minutes were only to indicate topics discussed. Mr. Matthews and Mr. Marshall said this was their understanding and agreed to inform their colleagues of General Bradley's view.

Mr. Matthews referred to a communication from the Yugoslav trade minister conveying agreement to the holding of U.S.-Yugoslav staff talks in the U.S.

¹ In the source text, the following sentence is near the top of the title page: "(State Draft. Not cleared with any of the participants.)" For other portions of this memorandum, see pp. 969-971.

² General of the Army Omar N. Bradley, Chairman of the Joint Chiefs of Staff; Gen. J. Lawton Collins, Chief of Staff, U.S. Army; Adm. Forrest P. Sherman, Chief of Naval Operations; Gen. Hoyt S. Vandenberg, Chief of Staff, U.S. Air Force; Lt. Gen. Charles L. Bolté, Deputy Chief of Army Staff for Plans; Vice Adm. Arthur C. Davis, Director of the Joint Staff; Vice Adm. Donald B. Duncan, Deputy Chief of Naval Operations; Rear Adm. William G. Lalor, (ret.), Secretary of the Joint Chiefs of Staff; Maj. Gen. Thomas D. White, Director of Air Plans; Col. Edwin H. J. Carns, Deputy Secretary of the Joint Chiefs of Staff; John H. Ferguson, Deputy Director of the Policy Planning Staff; Charles B. Marshall of the Policy Planning Staff; James S. Lay, Jr., Executive Secretary of the National Security Council; S. Everett Gleason, Deputy Executive Secretary of the National Security Council.

General Bradley indicated assent.

Admiral Sherman said that from the standpoint of public attention and speculation this would be preferable to having the talks in Yugoslavia.

The others listed above as present then entered.

General Bradley specified the interest of the Joint Chiefs of Staff in: (a) the status of negotiations for a Japanese peace treaty; (b) proposals for a Pacific pact.

Mr. Dulles emphasized the urgency of the latter.

In response to General Bradley's inquiry on prospects of his returning soon to Japan to complete treaty negotiations, Mr. Dulles said the decision must await clarification of the domestic political situation in the sequel to the relief of General MacArthur.³ He said that on Mr. Acheson's advice he would defer, pending this clarification, discussing this mission with the President. He cited a suggestion in Republican congressional circles for a resolution by the party caucus, in session that morning, which might call on him and former Senator Cooper⁴ to resign. He said he did not mean to indicate that he would feel bound by such a resolution.

General Bradley focused the discussion on the topic of a Far East mutual defense arrangement. He indicated prior general disapproval of a pact involving continental Far East nations and general approval of an off-shore mutual defense arrangement. He said he understood there were now under consideration three pacts: (a) among the U.S., Australia, and New Zealand; (b) between the U.S. and the Philippines, already party to a military pact; and (c) between the U.S. and Japan.

General Bradley warned against expectations of a final and unified view from the JCS at this session in view of lack of time the JCS had had to study and to discuss the problems raised by Secretary Acheson's letter to Secretary Marshall. He cited some advantages and disadvantages of the arrangement—specifying again that the JCS have not made up their mind as to the balance between them:

a. Advantages—

- (1) Preservation of our special arrangements with the Philippines.
- (2) Withholding from Philippines an inappropriate status as an equal with others in a general defense arrangement.

b. Disadvantages—

- (1) Lack of obligation on each to fight wherever attack might occur—thus missing the deterrent value of such collective security as in NATO.

³ Earlier on April 11 the President had relieved General MacArthur from his posts as SCAP, CINCFE, and CINCUNC. Lt. Gen. Matthew B. Ridgway succeeded to all three posts. Documentation on the relief of General MacArthur is scheduled for publication in volume VII.

⁴ John Sherman Cooper, also a Consultant to the Secretary of State.

(2) Possibility of pressure from Indochina, Burma, etc., for bilateral arrangement with us similar to ones entered into with off-shore nations.

(3) The necessity of furnishing staff under each pact.

Admiral Sherman warned against a multiplicity of pacts as possibly involving the U.S. in compromises among competing claims for assistance rather than the achievement of combined planning. He urged (a) preserving the present arrangement with the Philippines which, from a Naval point of view, was adequate; (b) a Presidential pronouncement pledging our assistance to Australia and New Zealand in event of attack, without a commitment regarding combined or joint planning. He referred to the use of such a Presidential declaration in the case of Formosa.

In answer to a query from General Bradley, Admiral Sherman said this course would obviate the necessity of treaties. General Bradley commented on the difficulty of getting Senate concurrence to a treaty.

General Vandenberg stated that he had not made up his mind on this matter.

Agreeing with Admiral Sherman on avoiding a complex pattern of consultation, General Collins cited, as an obstacle to the suggested unilateral declaration, constitutional inhibitions against the use of executive prerogative as the basis of an obligation to defend a foreign country. In answer to General Bradley's inquiry as to the possibility of making such a pledge but keeping it unannounced, General Collins said this would be impossible.

Mr. Matthews counseled the need of acting publicly in view of the possibility of an upsurge of Mr. Evatt's Labor Party⁵ on a plank opposing the Japanese rearmament in approaching Australian elections.

Admiral Sherman argued for a unilateral declaration on the premise of difficulty of Senate concurrence in further mutual assistance treaties in the next year or two.

General Collins stressed the role of the U.S. as the only source of "real" naval, air, and land power in the proposed mutual assistance arrangements in the Pacific area. He stressed the relationship between a commitment of our power and the freeing of Australia and New Zealand to furnish men for the defense of the Middle East. He saw the essentiality of our role and the interrelation of the various elements as arguments for the advantages of a general treaty. In response to a question from General Bradley, he stressed general arrangements rather than a general pact.

⁵ Dr. Herbert Evatt, former Foreign Minister of Australia and leader of the Opposition.

General Bradley elicited Mr. Dulles' views.

Mr. Dulles said his mandate from the President linked a treaty with Japan removing military restrictions and, if necessary to win their consent to such a treaty, assurances of U.S. assistance in event of attack to off-shore nations having reasons in their experience to fear attack from Japan. He had found this to be necessary as to Australia, New Zealand, and the Philippines. On the basis of the following he had found it conclusively not practical to bring all of the nations concerned into one treaty: (a) The United Kingdom's view, which Australia and New Zealand were disposed to accept, "violently" opposing such a pact; (b) opposition in public opinion in the three countries to any arrangement which appeared to be alliance with Japan.

Mr. Dulles described Indonesia as now negative to a mutual defense arrangement and its later attitude as problematic. He said the country was now in a governmental crisis, and the succeeding government might be disposed to a neutralist position even more than the erstwhile government.

As an alternative designed to obtain effects equivalent to the apparently impracticable general pact, Mr. Dulles outlined arrangements along the following lines: (a) A bilateral pact with Japan permitting the continuation of U.S. forces there to the extent and for the period found necessary; and (b) either (1) a quadripartite pact with the Philippines, Australia, and New Zealand or (2) a bilateral pact with the Philippines and a tripartite pact with Australia and New Zealand. He indicated that the total effect of these pacts would be the same in substance as the single pact which had been contemplated originally. If any of the five were attacked, the others would be under an obligation to react.

Mr. Dulles said he had touched on this matter only lightly in Manila. The situation there was not urgent since the presence of U.S. forces gave the country the same *de facto* protection as Japan. He added, however, that if we seem to give other countries more by signing a pact, we may also want to give something more formal to the Philippines, as a political matter.

He detailed the following developments in discussions at Canberra with New Zealand and Australian foreign ministers which lasted four or five days: (a) their immediate opposition to inclusion of Japan in a pact; (b) their preference for a tripartite pact; (c) reference to the United Kingdom for its views of the question, raised by Mr. Dulles, of a quadripartite pact to include the Philippines, and an unfavorable response by the United Kingdom.

He said the discussions had resulted in a draft,⁶ included in a

⁶ Of February 17, p. 172.

February 8 letter to the two foreign ministers.⁷ Its essence was a mutual assistance pledge embodying the concept of the Monroe Doctrine rather than the NAT—i.e., an attack on any one to be considered a danger to the peace and safety of all rather than an attack against all. Mr. Dulles said he had recounted to the two ministers (*a*) the constitutional objections raised, notably by Senator Taft,⁸ to the NAT language on the basis that considering an attack against another country as an attack against the U.S. made implicit the President's power to resist such attack on his own authority; (*b*) his own views, then as Senator, that the NAT language implied such power by the President; (*c*) Senator Vandenberg's⁹ contemporaneous statement that acceptance of this interpretation would compel him to oppose NAT; (*d*) Senator Taft's then expressed willingness to accept a Monroe Doctrine pattern for North Atlantic defense. Mr. Dulles said he had told the two ministers that it would be a mistake to revive the question of the NAT language particularly in view of the augmentation of Senator Taft's strength since the NAT debate. He also mentioned that he had ascertained from Senators Milliken¹⁰ and Taft that they would not object to the Monroe Doctrine phrasing in a Pacific pact.

Mr. Dulles then took up two specific points raised by the JCS: (*a*) As to the question of lack of obligation of each to fight in the event of attack on any part of the area concerned—he explained that the mutual assistance pledge extended to attacks not only on territories but also on armed forces, public ships, and aircraft in the Pacific and that during term of our maintenance of forces in the Philippines, the Ryukyus, and Japan, an attack on those areas would make the treaty just as operative as a general pact including those areas specifically; (*b*) as to alleged multiplicity of planning arrangements—he stated that coordination of planning with other Pacific regional groupings with which one or more of the parties might be associated was specifically included.

Mr. Dulles covered the following in sequence: (*a*) the close of the Canberra talks February 18, when he left with the two ministers a letter containing views explicitly stated as tentative in view of the necessity of final determination of the pact pattern after consultation in Washington; (*b*) the forwarding of the relevant draft to the Department of Defense "some six weeks ago" in a letter from the Secretary of State soliciting the military views; (*c*) the submission last week by the British Ambassador of the U.K. views to the effect that (1) they opposed a quadripartite pact, tying together the U.S., Aus-

⁷ Reference is to the letter dated February 18, p. 175.

⁸ Robert Alfonso Taft of Ohio.

⁹ Arthur H. Vandenberg of Michigan, ranking Minority member of the Senate Foreign Relations Committee while the North Atlantic Treaty was under consideration by the Senate.

¹⁰ Eugene D. Millikin of Colorado.

tralia, New Zealand, and the Philippines and (2) saw no objection to a tripartite pact tying together the U.S., Australia, and New Zealand, with a bilateral pact between the U.S. and the Philippines.

He described New Zealand as strongly under U.K. influence and Australia as impatient of U.K. influence but vicariously affected by it because of the desire to work in unity with New Zealand.

He described the U.K. views as "not wholly lacking in reason" and said that the U.K. might be willing to reconsider in event of U.S. insistence on direct Philippine participation. He emphasized the additional delay and the uncertainty involved if the U.S. should so insist.

Mr. Dulles said the U.K. view was based on a preference to have, as the basis of the arrangements, U.S. political relations with the other parties rather than an area defense concept delimiting special areas for protection and thus implicitly increasing the jeopardy of areas outside such limits—in this case especially Hong Kong. Mr. Dulles recalled the impression left by the marked maps displayed in connection with NAT which implicitly gave the impression that the scope of our concern was defined by the limits of NAT and the Rio Pact.¹¹ In indicating on a wall map the areas of the proposed Pacific pact system, he noted specifically that under present circumstances Formosa came within the scope of our protection.

Mr. Dulles said the situation had become more acute since we now have the British views and any delay will be interpreted as indicating we are not prepared to move along the lines he had advocated.

On the following bases he urged against additional delay: (a) the tendency of delay to indicate an unreadiness to go ahead; (b) possible advantages of this indication to the Australian Labor Party which opposes Japanese rearmament, in the coming elections; (c) considerations of courtesy to the other parties.

Mr. Dulles described pressure from Indochina, Burma, and Indonesia for inclusion in mutual defense arrangements with the U.S. on a basis of special political relations as less likely than if the basis were that of a defined "island of safety" under a single pact. He said the U.S. would be receptive if Indonesia should show such interest.

General Collins commented that the British premise was good as a basis for withholding a U.S. guarantee of Hong Kong.

Admiral Sherman stressed the value of informality in establishing joint planning and a preference for leaving such arrangements out of the treaty. He said it was desirable to hold onto our rights in the Philippines and Japan without making those countries privy to our

¹¹ For text of the Inter-American Treaty of Reciprocal Assistance, opened for signature at Rio de Janeiro September 2, 1947, see TIAS No. 1838, or 62 Stat. (pt. 2) 1681.

own plans; that as to Australia and New Zealand, any provisions for joint planning arrangements in the treaty would have to be disclosed when the treaty is filed with the UN. Admiral Sherman thought it was important to avoid any reference to a planning agency or to the way planning is to be done or coordinated. He said that the way to handle this matter is in three areas, but the more informally the better.

In response to a query from General Bradley, Mr. Dulles said treaties requiring Senate concurrence were contemplated.

General Bradley described combined planning as theoretically all right but practicably objectionable, involving impairment of secrecy through too wide disclosure.

Mr. Dulles said that it seemed to him that this difficulty was inherent in the directive of January 10 from the President,¹² which called for a five-power pact. He said General Bradley's point might be valid but should have been raised at that time.

General Collins commented that the disclosure of our plans for the defense of Japan would not be relevant since the other nations were not competent to go to the defense of Japan.

General Bradley said that under a five-power pact the countries would be planning together, so that if any one was attacked they would all act together.

Mr. Dulles said that under the separate pacts all the nations concerned equally would be pledged to help defend Japan if it were attacked unless we failed to go to the assistance of Japan ourselves. He mentioned that there would be no problem so long as the attack came while U.S. forces remained there. He observed that since Australia and New Zealand would be involved in Near East defense they would be entitled to know our plans for defense of their own areas so as to be satisfied on domestic security arrangements before undertaking commitments afar.

Admiral Sherman said he would like to comment on the apparent shift of position of the JCS on the question of security arrangements. He said the JCS originally understood that New Zealand and Australia would agree to a five-power pact. Now there is a fresh situation. Admiral Sherman said he wanted an answer in the quickest and simplest fashion.

As to JCS misgivings about the attitude of the Senate, Mr. Dulles said that on the day before he had discussed the undertakings with the subcommittee of the Senate Foreign Relations Committee and with Senators Taft and Milliken and that he anticipated no trouble with the Senate if the bilateral and trilateral pacts were submitted as treaties.

¹² For text, see enclosure 2 (as annotated) to the letter of January 9 from Secretary Acheson to Secretary Marshall, p. 788.

General Bradley referred to the advantages of separate arrangements rather than generalized staff planning, about which he had misgivings.

Mr. Dulles said he had anticipated General Bradley would prefer generalized staff planning in view of his opening statements critical of a multiplicity of separate arrangements.

General Bradley said the provision for joint planning in the original five-power pact proposal was expected to be an inducement to bring New Zealand and Australia in. General Bradley asked as to the certainty that the other nations would go to the defense of Japan in event of an attack on Japan. He asked why they should not be willing to go into a treaty with Japan if this was sure.

Mr. Dulles emphasized that public opinion in the countries concerned would rebel against the idea of Japan as an ally. He said this might be possible in two or three years but not now.

General Bradley also inquired as to the necessity of a new bilateral pact with the Philippines.

Mr. Dulles said he believed off-hand something less formal would be adequate but he would have to check this with the appropriate officers in the State Department. He described the question of a pact as not as important in the case of the Philippines as in the case of Australia and New Zealand, the Philippines being more preoccupied with reparations. He said he had misgivings about a special "white man's" pact in the Far East without some reaffirmation, clarification or broadening of our commitments to the Philippines. Perhaps a declaration would be enough. He ventured the opinion that the Philippine insistence on reparations might be dealt with through provisions similar to those used in the Italian treaty.¹³

General Collins asked again about the feasibility of a unilateral declaration in the Monroe Doctrine pattern as the basis of our commitments in the area.

General Vandenberg raised a caveat against overcommitment.

Mr. Dulles said that, as a unilateral declaration, the Monroe Doctrine had sufficed for a long time as the basis of inter-American security, but eventually had had to be succeeded by multilateral commitments in the Act of Chapultepec and the Rio Pact. The Vandenberg Resolution is explicit on the point that protection by the U.S. must be on the basis of self-help and mutual aid.

Generals Bradley and Collins indicated agreement a unilateral basis for the commitment would not be feasible today.

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¹³ For text of the Treaty of Peace with Italy signed at Paris February 10, 1947, see TIAS No. 1648, or 61 Stat. (pt. 2) 1245.

Admiral Sherman referred to Article 9 of the NAT. He said it was desirable to go only as far as the first sentence and to stop short of the details about organization of a defense council.

Mr. Dulles said the contemplated Pacific pacts would be consistent with his idea. He said a Colonel Babcock had drafted the relevant part of the draft with that in mind.

Admiral Sherman and General Bradley expressed preference for flexible, informal arrangements rather than any that would be explicitly written out. Admiral Sherman added that he thought the arrangements for planning could be worked out better in the back room.

Mr. Dulles referred to the Australians as anxious to get in on any sort of combined planning. He said he wouldn't say it would be easy to remove this language now as long as the Australians have an obligation to fight in the event of an attack.

General Bradley noted their particular interest in guided missiles.

General Collins emphasized the desirability that the Philippines not be in on such combined planning.

Admiral Sherman said the general arrangements might be coordinated with them—but that they might get a copy of tripartite arrangements and demand participation.

General Bradley referred to difficulties growing out of jealousies incident to multilateral arrangements. He cited French anxieties over the Malta talks.¹⁴

Mr. Dulles said the Australians and New Zealanders had fought in many places and had a much greater potential than the Philippines and it should be possible to make a distinction in combined planning between their participation and that of the Philippines.

Mr. Dulles again emphasized the time urgency.

General Vandenberg said the JCS must get its position clear before answering the State Department letter.

General Bradley agreed on the need of an early Defense answer to State's March 6 letter. He recapitulated JCS interest in the Ryukus and the timing of the treaty.

Mr. Dulles emphasized the need of action to reassure the peoples looking to us in the Pacific, particularly since the MacArthur relief.

Admiral Sherman said he was getting out of his field, but it seemed to him a Monroe Doctrine type statement would have a good effect.

Mr. Dulles urged against stopping with that. He emphasized (a) Congress' jealousy in relation to commitments undertaken by the Executive; (b) self-help and mutuality as principles laid down in

¹⁴ Documentation regarding the talks held at Malta, January 23-24 and March 13, 1951, between armed forces representatives of the United Kingdom and the United States, is scheduled for publication in volume IV.

the Vandenberg Resolution; (c) the idea of "no more free rides" under American protection.

Admiral Sherman said he meant not a pronouncement in lieu of a treaty but a statement of policy to clear the air regarding our aims and to dispel the rumor of Pentagon blocking of the Japanese peace treaty.

Mr. Dulles said his return to Japan, if he should "stay in the picture", might provide the occasion for such a gesture.

General Collins remarked—and Mr. Matthews agreed—on the need to make clear that the President, Secretary Acheson, and General Ridgway did not differ from MacArthur in their attitude regarding Japan.

Mr. Dulles reemphasized his warnings on a deterioration in the Japanese situation following the MacArthur relief. He pondered the possibility that MacArthur's words might spread the impression of U.S. abandonment of the Pacific and perhaps set us back gravely—maybe irrevocably.¹⁵

¹⁵ In an undated memorandum attached to a covering memorandum of April 12, neither printed, Mr. Dulles put into summary form the substance of his presentation of views at this meeting. (Lot 54D423)

790.5/4-1351

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, April 13, 1951.

DEAR MR. SECRETARY: The Department of Defense has studied your letter of 5 April with its enclosed draft memorandum to the President,¹ together with your letter of 6 April² and the public statement proposed to be made by the President, all dealing with security arrangements between the United States and certain of the Pacific island nations.

It is the recommendation of the Joint Chiefs of Staff, with which I concur, that the memorandum to the President and the public statement to be made by him be revised to incorporate the military views set forth in the following subparagraphs:

"a. There is no objection to having more than one new mutual security arrangement between the United States and certain of the Pacific Island nations. These new arrangements, however, should be as few as possible;

b. There would be serious disadvantages in the formulation of a new mutual security arrangement between the United States and the Philippine Republic. The present arrangement is adequate and sat-

¹ *Ante*, p. 183.

² *Ante*, p. 187.

isfactory. Any enlargement of the scope of Philippine participation in United States security arrangements over that presently in effect would be contrary to United States security interests;

c. It is essential that any bilateral mutual security arrangements with Japan come into effect concurrently with a Japanese Peace Treaty;

d. Any trilateral arrangement with Australia and New Zealand should be made as a simple understanding or public declaration rather than by formal pact. If political considerations are so overriding that a formal pact must be made, the Joint Chiefs of Staff oppose the inclusion in the pact of any reference to military plans, planning, or organizations therefor. For example, Article VIII of the draft treaty³ proposed by the Department of State for consideration by the Governments of Australia, New Zealand, and the United States, is unacceptable from the military point of view, since this Article would permit the Pacific Council to demand knowledge of and to participate in planning by the North Atlantic Treaty Organization and the Organization of American States, and vice versa; and

e. Security problems that arise in areas in the Pacific, other than Japan, the Philippine Republic, Australia, and New Zealand, should each be dealt with on an individual basis and in accordance with the situation obtaining at the time."⁴

With further regard to the proposed public statement, the Joint Secretaries have expressed to me their belief that the matter of timing, as suggested by the Department of State, is of sufficient importance to warrant special stress. It is their opinion, however that the statement should not be issued by the President. In view of the level from which the various British proposals and positions relative to the peace treaty have from time to time emanated and the lack of assurance that the current position is in fact formal and not subject to change, it is suggested that a less authoritative source than the President might issue the statement.

Faithfully yours,

G. C. MARSHALL

³ Of February 17, p. 172.

⁴ This quotation is of the entire substantive portion of a memorandum of April 11 from the JCS to Secretary Marshall. (Lot 54D423)

Lot 54D423

Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State

SECRET

[WASHINGTON,] April 13, 1951.

I have examined the memorandum from the Joint Chiefs of Staff to the Secretary of Defense¹ on the subject of security arrangements between the United States and Pacific island nations.

¹ April 11; see footnote 4, *supra*.

1. It seems to me that there can be agreement in substance in that we can probably arrange for a United States statement with reference to the Philippines which would give them adequate reassurance without any enlargement of the scope of Philippine participation in United States security arrangements over that presently in effect. This is being further explored.

2. In the case of the tri-lateral arrangement with Australia and New Zealand, we can, I think, make it clear that any organization thereunder will not have the right to demand knowledge of and to participate in planning by, the North Atlantic Treaty organization, the Organization of American States or any other security organizations not directly related to the Pacific area.

On the foregoing assumptions, I have redrawn the proposed President's statement and it is annexed hereto.

In my opinion, the whole program for Pacific peace on which we are working will be in danger unless we can move quickly along these lines.²

J. F. D[ULLES]

[Annex]

Draft Presidential Statement

In connection with the reestablishment of peace with Japan, we are discussing with the Japanese Government the implementation of its expressed desire for a posttreaty security arrangement pursuant to which United States Armed Forces might on a provisional basis remain in and about Japan.

The United States maintains, and expects to continue to maintain its Armed Forces in the Ryukyus, particularly at Okinawa.³

In the Philippines, the United States is accorded certain military operating rights and facilities pursuant to an agreement with the Government of the Philippines and the whole world knows that the United States recognizes that an armed attack on the Philippines would be looked upon by the United States as dangerous to its own peace and safety and that it would act accordingly.

The Governments of Australia and New Zealand, in connection with the reestablishment of peace with Japan, have now raised the question

² On April 13 the Dulles Mission once more left Washington for Tokyo. Concerning the background of this visit, see Mr. Dulles' memorandum of the conversation held April 11 between himself, President Truman, and Secretary Acheson, p. 975.

³ In a memorandum of April 13 to Secretary Marshall, which forms the enclosure to his covering letter of April 16 to Mr. Acheson, the JCS stated they had no objection to this paragraph unless it was "intended to serve as a basis for departure in any way" from numbered paragraph 4 of the March 23 draft Japanese peace treaty printed on p. 944. General Marshall concurred with this comment and with the other comment of the JCS, cited in footnote 4 below, on Mr. Dulles' draft. (694.001/4-1651)

of whether there might not be an arrangement between them and the United States, pursuant to Articles 51 and 52 of the United Nations Charter which would make clear that no one of the three would be indifferent to an armed attack upon the other in the Pacific; and which would establish consultation to strengthen security on the basis of continuous and effective self-help and mutual aid.

The possibilities of such an arrangement were fully explored by Mr. Dulles at Canberra, Australia, and Wellington, New Zealand, and have since been informally discussed with the appropriate subcommittees of the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House.

I have now asked the Secretary of State, the Secretary of Defense and Mr. Dulles, as my special representative in relation to the Japanese Peace Settlement and related matters, to pursue this matter further concurrently with the prosecution of the other negotiations necessary to bring the Japanese peace settlement to an early and satisfactory conclusion.

The series of arrangements and dispositions outlined above, would strengthen the fabric of peace in the whole Pacific Ocean area, where security is strongly influenced by sea and air power. They constitute natural initial steps in the consolidation of peace in that area and also will contribute to the building of universal peace as sought by the United Nations, and under which great goal the sacrificial ⁴ efforts of our nation are now being largely dedicated.

⁴ In the memorandum cited footnote 3 above, the JCS stated their belief that the word "sacrificial" should be deleted.

790.5/4-1451

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*

SECRET

[WASHINGTON,] April 14, 1951.

Subject: Pacific Security Arrangements

Participants: Sir Oliver Franks, British Ambassador
FE—Mr. Rusk
S—Mr. Allison

[Here follows a discussion of a Japanese peace treaty which is partially summarized in footnote 4, page 979.]

In turning to the subject of Pacific Security Arrangements, Mr. Rusk referred to the United Kingdom hope, which had been previously expressed by Sir Oliver, that the United States would find it possible to work out some such arrangement without the necessity

of including the Philippines in a single overall pact. The United States had given considerable thought to the British position and it had been determined that arrangements could be worked out which would in fact meet the British position. The problem of how this matter was presented, particularly to the Philippines, was one of some delicacy and Mr. Rusk explained that, in the view of the United States it would have to be approached on the basis that the United States already had heavy commitments to the Philippines as a consequence of its present base agreements. Also the fact that the long and close association between the United States and the Philippines made it clear that the United States would look upon an armed attack upon the Philippines as dangerous to its own peace and safety and would take appropriate action. However, there are no comparable commitments to Australia and New Zealand, old wartime associates, and any new arrangement devised would be designed to give the Australians and New Zealanders the same type of commitment and protection already possessed by the Philippines.¹ Mr. Rusk then gave Sir Oliver the text of a statement which it was proposed the President should issue in a few days and stated he hoped Sir Oliver would recognize the lengths to which the United States had gone to meet the British position. After reading the text Sir Oliver said he would immediately transmit it to his government and that he would make clear the real effort that had been made to bring the position of the two governments into line. He referred to the fact that his previous statement to us of the British position had been given to both the Australian and New Zealand embassies here and that he felt obligated to let them know what the United States had done and inquired whether or not there were any objections. Mr. Rusk said there were no objections but pointed out that the United States itself informed both Australia and New Zealand of its intention.² Sir Oliver said he assumed that, but he would also wish to be in touch with them. Mr. Rusk then referred to one point which was outside the text of the actual draft announcement but which would have to be discussed and settled later. That was the question of coordinated plan and action between the tripartite arrangement among Australia, New Zealand and the United States and any other regional security arrangement such as the Rio Pact or the North Atlantic Treaty. In the United States view it was

¹ Mr. Allison's memorandum of a conversation held April 13 between himself, Mr. Rusk, and Sir Carl Berendsen, Ambassador of New Zealand, indicated in part that Mr. Rusk had also described to Sir Carl the approach to be made to the Philippines. (790.5/4-1351)

² In telegram 4701 to London, April 14, the Department in part stated that it had the previous day informed the governments of both Australia and New Zealand of its decision, after consultation with the Department of Defense, to accommodate itself to the views of the United Kingdom regarding non-inclusion of the Philippines in a single overall Pacific security arrangement. (790.5/4-1351)

considered inadvisable to attempt to coordinate planning of associations which have no real connection and also it was not possible for the United States unilaterally to commit all of the members of any of the other regional organizations on this point. Mr. Rusk said that this matter would probably cause some discussion with the Australians but that he was confident it could be worked out all right.

Mr. Rusk concluded the discussion by saying that the United States wished the United Kingdom Government to know that if as a result of its discussions with Australia and New Zealand, it appeared desirable that the United Kingdom be brought in in some way to an observer and consultant capacity with respect to the tripartite agreement, that the United States would have no objection.

790.5/4-1651 : Telegram

*The Secretary of State to the Embassy in the Philippines*¹

TOP SECRET

PRIORITY

WASHINGTON, April 16, 1951—1 p. m.

2445. Eyes only Ambassador and Harrington. Problem of Pacific security arrangements discussed by Dulles with Romulo prior to former's departure for Tokyo. Pointed out that for variety of reasons, including reluctance Phil and Anzac public opinion, not deemed possible at this time bring about single over-all Pacific security arrangement, including Japan as originally contemplated. Due also to longstanding complexities inherent in determining membership overall multilateral arrangement and possible effect on mainland countries of their exclusion not believed practical at this time proceed with such multilateral Pact. However, believed important, particularly in view of belief held in some quarters that relief of MacArthur fore-shadows US Pacific withdrawal, to take some steps indicating US concern over maintenance of peace in Pacific area. Pointed out to Romulo that US after a Treaty wld continue as result of US-Jap agreement, to maintain armed forces in and about Japan, and that in accord with US-Phils agreement which affirm our mutual interest in our joint defense and under which US has mil operating rights and facilities in Phils. Also that world knows US recognizes armed attack on Phils wld be looked upon by US as dangerous to its own peace and security and hence Phils has assurance of continued US guarantee. However, neither Austral nor NZ have comparable degree of US-backed security and in connection with bringing about Jap peace treaty it is essential devise some means of reassuring those countries against possible resurgence Jap aggression. Probably will take

¹ Telegram drafted by Mr. Allison.

some time to work out completely and as interim measure it is proposed to issue Presidential statement within next few days. Suggested text in immed fol msg. Cable urgently any comments.

ACHESON

Lot 54D423

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Marshall)*¹

TOP SECRET

WASHINGTON, April 17, 1951.

Subject: Japanese Peace Treaty

[Here follow paragraphs numbered 1 through 10 (printed on page 990).]

11. Draft treaty for consideration by the Governments of Australia, New Zealand, and the United States of America.

a. General comments on security arrangements between the United States and the Pacific Island nations were furnished you by memorandum dated 11 April 1951.

b. Specifically, and for the reasons in the above referenced memorandum, the Joint Chiefs of Staff find objectionable the text of Articles VII and VIII of the draft treaty.² In this connection, the Joint Chiefs of Staff desire that there be no reference of any nature in any new security arrangements with nations of the Pacific Islands other than Japan (if such arrangements must eventuate) to military plans, planning, or organizations therefor. The Joint Chiefs of Staff would find serious objection to including openly in a treaty any requirement for the establishment of a military planning organization with Australia and New Zealand and for any formal military planning among the Pacific Island nations.

For the Joint Chiefs of Staff:

HOYT S. VANDENBERG

Chief of Staff, United States Air Force

¹ This memorandum was transmitted to Mr. Acheson under Secretary Marshall's covering letter of April 19, p. 989.

² Of February 17, p. 172.

694.001/4-1751: Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET PRIORITY

WASHINGTON, April 17, 1951—6 p. m.

Topad 1492. For Dulles from Allison. As result of informal requests from NZ and Aus Govts (latter subsequent to Spender's reply to you

Reur 1826, Apr 17)¹ language of statement to effect that "No one of the three would be indifferent, etc." has been altered to put it in positive sense and also in as much as language is put in mouths of NZ and Aus Govts, to make it more in accord with actual position two Govts had taken. Present language, cleared by Pentagon today, now reads:

"The Govts of Aus and NZ, in connection with the reestablishment of peace with Japan, have suggested an arrangement between them and the US, pursuant to Articles 51 and 52 of the UN Charter which wld make clear that in the event of an armed attack upon any one of them in the Pacific, each of the three wld act to meet the common danger in accordance with its constitutional processes; and which wld establish consultation to strengthen security on the basis of continuous and effective self-help and mutual aid."

Romulo shown statement yesterday morning and gave hearty approval. Franks given copy morning Apr 14 and today reported approval and appreciation of UK Govt over manner in which US had met UK position.

President will issue statement at press conference 4:30 p. m., Apr 18, EST.²

New Subject: Brit Emb states FonOff team will arrive Washington Apr 24 for working level discussion on Jap Treaty.³ [Allison.]

ACHESON

¹ The entire text of telegram 1826 from Tokyo reads: "For Rusk from Dulles. Assume you have Spender's personal message to me [of April 16] agreeing to text of proposed statement and indicating they anticipate no difficulty meeting our views regarding Article 8, and suggesting April 20, Washington time, as date for issuance of statement subject to Doidge concurrence." (694.001/4-1751) The mentioned message of Mr. Spender has not been found in Department of State files.

² For text, see the Department of State *Bulletin*, April 30, 1951, p. 699.

³ For information regarding this negotiation, see the editorial note, p. 1021.

790.5/4-1751: Telegram

*The Secretary of State to the Embassy in Thailand*¹

SECRET

WASHINGTON, April 17, 1951—7 p. m.

1519. Reference preceding tel² re security arrangements covering Philippines, Australia and New Zealand. Dept is concerned lest Thai Govt misunderstand the significance of the President's statement and suggests that in your discretion when making a summary of that statement available to Thai Govt that you point out:

¹ Telegram drafted by Kenneth P. Landon, Officer in Charge of Thai and Malayan Affairs, and cleared by Mr. Allison on behalf of Mr. Rusk.

² In telegram 1518 to Bangkok, April 17 (not printed), the Department had in part included the text of the Presidential statement (cited in footnote 2, *supra*) for transmission to the Thai Government in advance of publication. (790.5/4-1751)

1. This is not a multilateral pact but is essentially a formalizing by the President of our present commitments in the Pacific area.

2. Similar bilateral arrangements are not being made with most Southeast Asian nations although the US Govt is actively aiding them in diverse ways according to their situation. For instance in Indochina the US is providing important amounts of mil aid; in Thailand the substantial interest of the US is manifested through the mil and econ aid programs currently in operation; in Malaya, with which no security arrangements have been made, only minor mil aid has been extended and finally neither Indonesia nor Burma have shown any inclination nor interest toward such security arrangements nor toward receiving extensive mil aid programs although both have econ aid programs.

3. That if Thailand were attacked by an aggressor it is assumed that Thailand like Korea in June 1950 wld appeal to the UN for aid where the US wld with the other nations give sympathetic attention to the problem.

4. That Thailand is bordered by nations beset by Communism and that it might be preferable from Thailand's point of view under present circumstances to continue as at present in its intimate relations with the US without formal definition in order to avoid stirring up unduly the unfriendly Commie elements in those neighboring nations.³

If at this point the Foreign Minister evinces a desire to discuss bilateral arrangements with US you may receive this suggestion with every evidence of interest and say that you will inform your Govt of their desire and that you will reply as soon as you have received your Govt's reactions.

ACHESON

³ The following paragraph was removed from this telegram before transmission: "5. That we fought a containing action in Greece and extended massive mil aid to Turkey and neither were members of the North Atlantic Treaty Pact." (790.5/4-1751) The excision was authorized by John F. Melby, Deputy Director of the Office of Philippine and Southeast Asian Affairs.

Lot 54D423

Memorandum by the Deputy to the Consultant (Allison) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] April 18, 1951.

Subject: Proposed Pacific Security Arrangements

There is attached hereto an advance copy of a comment by the Joint Chiefs on Mr. Dulles' memorandum to Secretary Acheson dated April 13,¹ copy also attached, regarding the proposed security arrangements in the Pacific. The Joint Chiefs refer particularly to the second paragraph of Mr. Dulles' memorandum in which he states that it can be made clear that any organization under the trilateral arrangement with Australia and New Zealand will not have the right to demand

¹ *Ante*, p. 202.

knowledge of and to participate in planning by "the North Atlantic Treaty organization, the Organization of American States or any other security organizations not directly related to the Pacific area." The Joint Chiefs refer to the above language and then repeat the language in their memorandum of April 11, 1951,² to the effect that the Joint Chiefs "oppose the inclusion in the pact of any reference to military plans, planning, or organizations therefor."

Captain Murdaugh of the Navy³ who gave me the advance copy of the JCS views made it clear to me that the Joint Chiefs will in fact be opposed to any sort of organization under the tripartite pact which will have anything to do with planning in the Pacific or elsewhere. Captain Murdaugh expressed surprise that the Joint Chiefs had approved the language in the proposed Presidential statement which referred to establishing "consultation to strengthen security". He said that the Joint Chiefs were apparently going back on the whole idea of consultation. I believe we are going to have a head-on collision with the Joint Chiefs on this point when the time comes for actual negotiation of a security arrangement and I suggest that we should begin to think how to meet this. I am convinced that the Australians will refuse to go along with any pact which does not provide an organization for some form of consultation and while Mr. Spender's message to Mr. Dulles of April 16⁴ indicates that there would be no difficulty concerning the limitation of such consultation to matters directly concerning the Pacific, it is also clear that if there cannot even be consultation on Pacific matters we might as well give up any idea of concluding a security arrangement. And if we have to give that up we might as well give up any idea of getting Australian and New Zealand acquiescence to a Japanese Peace Treaty along the lines so far developed by the United States.

In my opinion it is difficult to believe that the Joint Chiefs in fact would rule out any sort of consultation, everything else being equal, and I am therefore coming to the opinion that failing to hold up the early conclusion of the Japanese Peace Treaty by direct opposition, they have taken this round-about method of putting obstacles in the path of progress so that there will of necessity be delay in getting a Japanese Treaty until the problem of the security arrangement with Australia and New Zealand can be threshed out.

I think the most serious consideration should be given to taking this matter up on a high level with the Department of Defense with a view to obtaining as speedily as possible the exact intentions of the Joint Chiefs in this respect.

² See Secretary Marshall's letter to Mr. Acheson of April 13, p. 201.

³ Albert C. Murdaugh, Acting Director of the Office of Foreign Military Affairs, Office of the Assistant Secretary of Defense for International Security Affairs.

⁴ Not found in Department of State files.

[Annex]

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Marshall)*

SECRET

WASHINGTON, 16 April 1951.

Memorandum for the Secretary of Defense

Subject: Proposed Japanese Peace Treaty.

1. With reference to the proposed Presidential statement attached to Mr. Dulles' memorandum for Secretary Acheson, dated 13 April 1951, the Joint Chiefs of Staff submitted comments in a memorandum to you dated 13 April 1951.⁵ The Joint Chiefs of Staff desire to submit an additional comment which refers to the covering memorandum rather than the proposed Presidential statement.

2. With regard to Mr. Dulles' paragraph 2 concerning a possible tri-lateral arrangement with Australia and New Zealand, the Joint Chiefs of Staff would like to emphasize the position expressed to you in paragraph 2*d* of a memorandum dated 11 April 1951, subject "Security Arrangements between the United States and Pacific Island Nations," as follows:

"If political considerations are so overriding that a formal pact must be made, the Joint Chiefs of Staff oppose the inclusion in the pact of any reference to military plans, planning, or organization therefor."

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

*Chairman**Joint Chiefs of Staff*

⁵ See footnotes 3 and 4, pp. 203 and 204, respectively.

Editorial Note

In telegram 1507 to Tokyo, April 20, marked "For Dulles from Allison", the Department summarized for the Consultant the contents of the Joint Chiefs' memorandum of April 17 regarding a Japanese peace treaty and potential security treaties. (A portion of the Joint Chiefs' memorandum is printed on page 207; the remainder is printed on page 990.) Telegram 1507 reads in part:

"With respect to Canberra Pact JCS have now made specific objection to both Articles VII and VIII of draft treaty and state 'The JCS would find serious objection to including openly in a treaty any requirement for the establishment of a military planning organization with Australia and New Zealand and for any formal military planning among the Pacific Island nations.' Exact meaning of above

phrase uncertain. It could mean that planning is all right but that there should be no formal commitment or organization. Alternatively it could mean there will be no joint planning of any sort in which case presumably treaty could not be concluded. I am having lunch Monday [April 23] with Defense official in effort to ascertain exact meaning of JCS on this point. Any comments you could get to me prior to noon Monday would be helpful." (694.00/4-2051) The remainder of this telegram is summarized in footnote 1, page 1003.

In the latter telegram, marked "For Rusk, Allison from Dulles," the Consultant stated in part: "Re Canberra Pact, in my interpretation, Article 7 does not require 'military planning' and consultation contemplated by Article 8 can be civilian and not involve technical military planning. As regards last sentence, Article 8, dealing with 'planning' it is already understood this subject to negotiation having in mind earlier comments of JCS and my message to Spender. This whole matter obviously requires further discussions with Anzac and should be flexible until then." (694.001/4-2251)

The Dulles Mission left Tokyo April 23 and arrived back in Washington the following day.

Record of Mr. Allison's conversation with a "Defense official" (mentioned in telegram 1507 quoted above) has not been found in Department of State files. However, see the memorandum of May 15 to Mr. Allison from Brigadier General A. L. Hamblen, Special Assistant for Occupied Areas, page 215.

694.001/4-2351

*Memorandum by the Deputy to the Consultant (Allison) to the
Consultant to the Secretary (Dulles)*

TOP SECRET

[WASHINGTON,] April 23, 1951.

Subject: Comments on views of Joint Chiefs of Staff dated April 17, 1951¹ on Japanese Peace Treaty

[Here follows the portion of Mr. Allison's memorandum devoted primarily to his analysis of the views of the JCS on the proposed Japanese peace treaty and the proposed bilateral United States-Japan security arrangement. Part of the omitted section is summarized in footnote 1, page 990.]

In the same document the Joint Chiefs comment on the draft treaty with Australia and New Zealand and raise specific objections to Article 7 of the draft treaty, which sets up a defense council, and to

¹ That portion of the JCS memorandum on which Mr. Allison comments here is printed on p. 207.

Article 8 of the draft treaty, which provides for consultation and coordinated planning with other regional organizations. In this connection the Joint Chiefs state that there should be "no reference of any nature in any new security arrangements with nations of the Pacific islands other than Japan (if such arrangements must eventuate) to military plans, planning, or organizations therefore." If the Joint Chiefs maintain their position in this respect it will, in my opinion, be impossible to include any joint security arrangements acceptable to the Australians and New Zealanders with the consequent result that those commonwealth nations would not acquiesce in the type of Japanese peace treaty which all elements of the United States Government, including the Joint Chiefs, have agreed is desirable. It has been made very clear to the United States by the Australian government that no form of security arrangement will be satisfactory unless some form of organization for mutual planning and consultation is included. In Foreign Minister Spender's message to Mr. Dulles of April 13, 1951² in which he outlines the type of statement he might wish to make in case the United States was not able to make an authoritative statement he stated specifically "that while no elaborate organization is envisioned, the arrangements under discussion provide for consultative machinery through which the parties could concert their policies and planning." In the Foreign Minister's statement of April 18th³ issued at the time of the President's announcement in this country he said, *inter alia*, "close association of Australia and New Zealand with the United States under an arrangement based on the principles of self-help and mutual aid and containing adequate provisions for consultation would constitute a solid guarantee to peace in the Pacific and to the security of Australia." (underlining added)

The position of the Joint Chiefs is difficult to understand in view of the statements made to Mr. Dulles in January to the effect that they would recommend some security arrangement with Australia and New Zealand which would encourage those nations to carry out willingly their Middle East commitments. The statement quoted above is also difficult to understand in view of the statement in Paragraph 7 of the Joint Chiefs' comments of April 17th⁴ on the memorandum of the British Chiefs of staff.⁵ Paragraph 7 of that statement⁶ reads as follows:

"It now appears that the security of the Pacific against communist aggression, together with security against possible Japanese aggres-

² For full text, see Spender, *Exercises in Diplomacy*, p. 168.

³ A copy of the full text of this statement was made available to Mr. Dulles by the Australian Mission in Tokyo on April 20. (Lot 54D423)

⁴ Not printed.

⁵ Text forms the annex to the undated *aide-mémoire* of the United Kingdom, printed under date of March 12, p. 909.

⁶ That is, of the Joint Chiefs' memorandum.

sion, can best be attained, in the future, by Japan's membership in the United Nations and in a mutual security arrangement with the United States together with a continuation of current United States security arrangements with the Philippine Islands and with concurrent mutual security arrangements whose membership would include certain of the Pacific Island nations in addition to the United States. An essential feature of continued orientation of Japan to the West lies in the economic development of that country and in close commercial ties with the West."

In reading the Joint Chiefs' comments and studying their implications it is difficult not to conclude that their basic desire is to force delay in the coming into effect of any Japanese Peace Treaty and that one of the methods by which they hoped to secure this delay is by the creation of difficulties in the conclusion of mutual security arrangements with Australia and New Zealand which it is recognized is a condition precedent to obtaining the consent of those countries to the United States draft of a peace treaty with Japan.

In my opinion the difficulties between the State and Defense Departments are of a fundamental character and an effort should be made to resolve them at once. I am afraid that in the past apparent difficulties have been resolved by the use of language which glossed over differences but did not in fact settle them and that we should now meet the issue head on and come to a definite complete understanding.

Lot 54D423

Memorandum Prepared in the Department of State

[Extracts]

[WASHINGTON,] May 3, 1951.

AGENDA ¹

II. AUSTRALIA AND NEW ZEALAND

Security Arrangement

a. Get further views of the Pentagon as to the nature of "consultation" (see President's statement)² and the views of the Joint Chiefs with reference to Articles VII and VIII of the Canberra draft.

b. Prepare for and fix date for concluding negotiations with Australia and New Zealand, presumably in Washington after Spender arrives.

c. Clear with Foreign Relations Committee.

¹ The remainder of this memorandum is printed on p. 1038.

² For text of the President's statement of April 18, see the Department of State *Bulletin*, April 30, 1951, p. 699.

Lot 54D423

Memorandum by the Special Assistant for Occupied Areas in the Office of the Assistant Secretary of the Army (Hamblen) to the Deputy to the Consultant (Allison)

TOP SECRET

WASHINGTON, May 15, 1951.

Subject: Informal Defense Views on Draft Treaty with Australia and New Zealand

1. On 19 April 1951, the Secretary of Defense transmitted the interim views of the JCS¹ to the Secretary of State on various documents pertaining to the Japanese peace treaty and ancillary problems.

2. In paragraph 11 of the JCS memorandum, dated 17 April 1951,² there was set forth their objections to Articles VII and VIII of the proposed Australian/New Zealand treaty.

3. In his letter of 13 April 1951 to the Secretary of State,³ the Secretary of Defense in sub-paragraphs *d* and *e* further delineates the objections of the JCS to Article VIII.

4. In accordance with your request that I determine what provisions now contained in Articles VII and VIII are objectionable, I have consulted the immediate advisors of the JCS and other interested individuals. It is my opinion that Article VII would become satisfactory if the phrase "and set up such subsidiary bodies as may be necessary to accomplish its purpose" were deleted. There appears to be no way to rectify Article VIII to make it satisfactory. Its elimination therefore appears desirable.

5. It is envisaged that the Council established by Article VII would be a political council. This would not preclude a military advisor to the U.S. representative, but would not contemplate combined planning between or among military advisors.

6. In view of the objections contained in sub-paragraph *d* of the letter of 13 April 1951, and of the fact that no other regional organizations now exist with which coordinated planning in the Pacific area is desired, it appears desirable to withhold the inclusion of Article VIII until such a Pacific regional organization comes into being. At that time consideration can be given to the degree of military collaboration which should be sought.

A. L. HAMBLLEN
Brigadier General, GSC
Coordinator

¹ See *post*, p. 989.

² *Ante*, p. 207.

³ *Ante*, p. 201.

Lot 54D423

Unsigned Draft of Security Treaty Articles

[WASHINGTON,] May 31, 1951.

VII

The parties hereby establish a Council on which each of them shall be represented to consider matters concerning the implementation of this Treaty. The Council should be so organized as to be able to meet promptly at any time.

VIII

Pending the development of a more comprehensive system of regional security in the Pacific area and the development by the United Nations of effective means to maintain international peace and security the Council shall maintain a consultative relationship with states¹ in a position to further the purposes of this Treaty and to contribute to the security of the Pacific area.²

¹ In the source text, the words "& organizations" are here interpolated in what is possibly Mr. Dulles' handwriting.

² In the margin of the source text, a note in what is possibly Mr. Dulles' handwriting reads: "If circumstances seem necessary."

Lot 54D423

*Draft of Security Treaty Article by the Consultant to the Secretary
(Dulles)*

VIII

The parties recognize that effective achievement of the purposes of this Treaty may be promoted if there be from time to time contacts or consultations, by or on behalf of the Council or its members, with the United Nations or its subsidiary organs or committees, or with other states, groups of states or organizations in a position to further the purposes of this Treaty and to contribute to the security of the Pacific area. The Council, in its considerations pursuant to Article VII, will take the foregoing into account.¹

[WASHINGTON,] June 1, 1951.

¹ The source text bears two marginal notes in an unidentified handwriting. The first reads: "tentative suggestion". The second is as follows: "Dictated by J[ohn] F[oster] D[ulles] following talks with Spender and Berendson. But not communicated to anyone."

Percy Spender had resigned as Minister of External Affairs of Australia on April 26 and had been appointed Ambassador of Australia to the United States

Lot 54D423

*Memorandum of Conversation, by the Chief of the Government Branch, Office for Occupied Areas, Office of the Assistant Secretary of the Army (Babcock)*¹

TOP SECRET

[WASHINGTON,] June 25, 1951.²

Subject: Proposed Pacific Security Treaty

Participants: Ambassador of Australia, Honorable P. C. Spender
Mr. David McNicol, Embassy of Australia³
Ambassador of New Zealand, Sir Carl Berendsen
Mr. G. R. Laking, Embassy of New Zealand
Ambassador John Foster Dulles
Colonel C. Stanton Babcock
Mr. Livingston Satterthwaite

Sir Carl Berendsen said that he had received word from his Government concerning the changes proposed by Mr. Dulles in Articles VII and VIII of the draft Pacific Security Treaty prepared in Canberra in February 1951. He said that the wording proposed for Article

to succeed Mr. Makin. He had arrived in the United States on May 29. Ambassador Spender presented his credentials to President Truman on June 8.

In a briefing memorandum of June 6 to George W. Perkins, Assistant Secretary of State for European Affairs, G. Hayden Raynor, Director of the Office of British Commonwealth and Northern European Affairs, stated in part:

"Before he left for London, Mr. Dulles talked with Mr. Spender and the New Zealand Ambassador about the text of the security agreement drawn up at Canberra during February. The principal point raised in this conversation with the two Ambassadors involved the relationship between the proposed Pacific Council and NATO and the Rio organization. Mr. Dulles explained that we did not want to incorporate language in the treaty which would require a consultative relationship between the Council and these other bodies. He pointed out that the machinery was already so complex that it would be a mistake to add another cog. Both Mr. Spender and the New Zealand Ambassador, while recognizing the validity of this line of argument nevertheless insisted that the language of the treaty should not preclude a consultative relationship. Mr. Spender suggested wording to the effect that the Council 'may maintain a consultative relationship with States, organizations and authorities'. Mr. Dulles said that we would study the views expressed by the two Ambassadors." (601.4311/6-651)

Other record of conversation held between Messrs. Berendsen, Dulles, and Spender before the Consultant's departure for London June 2 has not been found in Department of State files.

¹ The source text is accompanied by the following typed, unsigned covering note: "Let's circulate Col. Babcock's version of the M/C if any distribution is wanted, and file Mr. Dulles' as follows: [here follow filing instructions]". The Dulles version is printed *infra*. Another notation indicates that Babcock's version was distributed to Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs, and U. Alexis Johnson, Director of the Office of Northeast Asian Affairs.

² The memorandum was drafted the following day.

³ Second Secretary of Embassy.

VII⁴ was satisfactory on the understanding that the Council established by Article VII could establish committees and subcommittees if it so desired.

In regard to Article VIII, Sir Carl said that his Government suggested the following wording:

"The Council, established by Article VII, may maintain a consultative relationship with States, Regional Organizations, Associations of States, or other authorities in the position to further the purposes of this Treaty and to contribute to the security of the Pacific Area."

Mr. Spender said that the views of his Government were similar to those expressed by the New Zealand Ambassador.

Mr. Dulles said that he would want to consider these proposals before expressing any definitive views but that he felt it was unwise to eliminate the first phrase of Article VIII which was designed to emphasize that this treaty was a first step toward a more comprehensive security arrangement. He added that this particular phrase had been inserted to meet the views expressed by the Far Eastern Subcommittee of the Senate Foreign Relations Committee. Both Mr. Spender and Sir Carl said that they felt sure that there would be no objection to the retention of this phrase.

Mr. Dulles then said that he felt that Sir Carl's draft of Article VIII might better read: "The Council, established by Article VII, *is authorized to maintain . . . etc.*" rather than "*may maintain . . . etc.*" since the Council, under this treaty had no power itself to establish a "consultative relationship" with anyone. There could not be any such relationship unless all parties concerned wanted it. Mr. Dulles pointed out that the United States was not prepared to commit itself, for example, as a member of NATO or of the Rio Pact, to consultation by these associations with the Pacific Council.

Both Ambassadors seemed quite satisfied with the suggestions made by Mr. Dulles and with the interpretation he gave to the wording of Article VIII.

Mr. Dulles said that he felt it very desirable to announce at an early date (within a week or two), the agreed text of this treaty since the growing anxiety regarding Iran⁵ made it essential that we take promptly every possible step to make clear to the world the essential unity of the Free Nations. Mr. Spender agreed and suggested that such a text should be initialed when it is made public.

⁴ The language agreed upon at this meeting for Articles VII and VIII is included in the document, *infra*.

⁵ Documentation regarding relations of the United States and Iran is scheduled for publication in volume v.

Lot 54D423

*Memorandum of Conversation, by the Consultant to the
Secretary (Dulles)*

TOP SECRET

[WASHINGTON,] June 25, 1951.

Subject: Australian-New Zealand Security

Participants: Ambassador Percy Spender, Embassy of Australia
Ambassador Sir Carl Berendsen, Embassy of New
Zealand

Mr. David McNicol, Embassy of Australia

Mr. G. R. Laking, Embassy of New Zealand

Mr. John Foster Dulles

Colonel C. Stanton Babcock

Mr. Livingston Satterthwaite

At a meeting today with Ambassador Spender of Australia and
Ambassador Berendsen of New Zealand it was tentatively agreed that :

1. Article VII of the proposed tripartite security treaty should be
amended by eliminating all reference to "subsidiary bodies" and to
read as follows:

"The parties hereby establish a Council on which each of them
shall be represented to consider matters concerning the implemen-
tation of this Treaty. The Council should be so organized as to be
able to meet promptly at any time."

In the course of discussion it was recognized that the Council would
be the master of its own procedure and could of course do whatever
it found to be necessary to accomplish its purposes. It was agreed,
however, that the likelihood of the need of "subsidiary bodies" was
not such that it should be specifically mentioned in the treaty and that
the purpose should be to have an essential political body, simple in
structure and with compact, high-level personnel.

2. Article VIII should be redrafted as follows:

"Pending the development of a more comprehensive system of
regional security in the Pacific area and the development by the
United Nations of effective means to maintain international peace
and security, the Council, established by Article VII, is authorized
to maintain a consultative relationship with States, Regional
Organizations, Associations of States, or other authorities in a
position to further the purposes of this Treaty and to contribute
to the security of the Pacific Area."

It is agreeable both to the Australian and New Zealand Govern-
ments to omit the words preceding "the Council". However, these
words are acceptable to them in view of the opinion expressed by

the Far Eastern Subcommittee of the Foreign Relations Committee that the operative portion of the treaty should itself contain reference to further developments, particularly under the auspices of the United Nations.

The new language eliminates all of the last sentence, the earlier Article VIII with its reference to "planning" which was objected to by the JCS.

In so far as relates to consultation (not "planning") with other states, regional organizations, etc., it merely *authorizes* consultation as a possibility, whereas the original language of Article VIII seemed to make this mandatory ("shall maintain" and "shall coordinate"). It was pointed out that the Council under this treaty would have no power itself to establish a "consultative relationship" with anyone; that consultation was a two-way proposition and that it could not occur unless all parties concerned wanted it. The United States, for example, as a member of NATO or of the RIO Pact, was not prepared to commit itself to consultation by these associations with the tripartite Pacific Council.

It is believed that the present text fully meets the preoccupations of the JCS and that consideration should now be given to a prompt initialling of a text as a further step which can be announced and which is particularly desired in view of the growing anxiety regarding Iran where Australia and New Zealand have commitments which make it important quickly to reassure their people that there is no hitch in the program to assure that the United States will stand with them in the Pacific.¹

J[OHN] F[OSTER] D[ULLES]

¹ Colonel Babcock's memorandum of his conversation held June 30 with Mr. F. H. Corner, First Secretary of the Embassy of New Zealand, indicated in part that the Department was informed that day that the Governments of both Australia and New Zealand had accepted the versions of Articles VII and VIII tentatively agreed upon at the meeting described above. (790.5/6-3051)

Lot 54D423

*The Consultant to the Secretary (Dulles) to the Secretary of Defense
(Marshall)*

TOP SECRET

[WASHINGTON,] June 27, 1951.

MY DEAR MR. SECRETARY: In Canberra, Australia, during February 1951, with the authority of the President, and the concurrence of the Secretary of State and yourself, I negotiated a draft proposed security treaty between the United States, Australia and New Zealand, subject to review and final decision on the part of the United States Government. This draft ¹ I handed you on March 6, 1951.

¹ Of February 17, p. 172.

On April 19 you transmitted to the Secretary of State a memorandum from the Joint Chiefs of Staff, dated April 17, 1951,² pointing out that Articles VII and VIII of the draft treaty were objectionable to them and that they desired that there be no reference of any nature in the security arrangement to military plans, planning, or organizations therefor, and that they would find serious objection to including openly in the treaty any requirement for the establishment of a military planning organization with Australia and New Zealand or for any formal military planning among the Pacific Island nations.

In the light of this expression of the views of the Joint Chiefs of Staff, we have had further negotiations with the Australian and New Zealand Governments with reference to Articles VII and VIII, and I now enclose a draft of new text³ which the Ambassadors of Australia and New Zealand believe will be acceptable to their Governments.

Article VII of the new draft omits the reference to "subsidiary bodies" contained in the earlier text, a reference which some of your advisors felt might imply a military planning group.

Article VIII has been amended to eliminate wholly the only sentence of the earlier draft which mentioned "planning", and the phrase in the earlier draft requiring the maintenance of the "closest possible relations" and consultation with other states in a position to further the purposes of the treaty has been deleted. Instead, this Article now merely *authorizes* the Council to maintain a "consultative relationship" with other states and organizations. Exercise of this authority would require not only action by the Council itself, but also concurring action by the other states or organizations in question.

It has been pointed out to the Australian and New Zealand Ambassadors that consultation would normally be through diplomatic channels, and that the United States is not now prepared to commit itself, for example, as a member of NATO or the Rio Pact or as prospective party to a security arrangement with Japan, to consultation by these associations with the tripartite Council.

The language of the treaty as now drafted reflects the view that the Council will not engage in military planning but will be a simple and compact body composed of high level personnel. As now drafted, there would be nothing in the treaty which would commit the United States in any of the ways considered objectionable by the Joint Chiefs of Staff.

The first four lines of the redrafted Article VIII referring to the possible "development of a more comprehensive system of regional security in the Pacific Area and the development by the United Nations of effective means to maintain international peace and security"

² In part, p. 207.

³ Not printed; see the texts included in Mr. Dulles' memorandum of a conversation held June 25, *supra*.

have been added in deference to what seemed to be the views of the Senate Foreign Relations Committee and also further to reinforce the President's declaration of April 19, 1951 that the presently contemplated security arrangements in the Pacific are only "initial steps".

I trust that the Department of Defense will now find this text acceptable from its standpoint. In view of developments in the Middle East, it is believed desirable that the United States be in a position promptly to indicate to Australia and New Zealand that further progress has been made along the lines of our Canberra discussions and the President's Declaration of April 19, 1951, which stated that he had asked the Secretary of State, yourself and me to pursue further the matter of a security arrangement with Australia and New Zealand. It is, of course, understood that the Tripartite Security Treaty would come into effect only after Australia and New Zealand joined with us in the making of a satisfactory Treaty of Peace with Japan.

Respectfully yours,

JOHN FOSTER DULLES

790.5/7-1051

Memorandum by the Secretary of State to the President

TOP SECRET

WASHINGTON, July 10, 1951.

Subject: Security Treaty with Australia and New Zealand

Mr. Dulles has completed or will complete in a few hours the negotiations on the Australian and New Zealand security treaty. With minor changes, the draft follows that which was discussed with you in April.¹

A copy of this revised draft² is attached for your consideration. I will appreciate it if you will review this proposed treaty and give me an opportunity to speak with you about it tomorrow at the NSC meeting.³

DEAN ACHESON⁴

¹ Record of conversation on this topic held in April between the President and Mr. Acheson has not been found in Department of State files.

² Not printed. In it, Articles VII and VIII are worded as they appear in Secretary Marshall's letter of July 20 to Mr. Acheson, p. 226. The remainder of the draft is identical to that of February 17 (p. 172) except for very slight alterations in style and punctuation.

³ There follows in entirety a memorandum of July 11 by Lucius D. Battle, Special Assistant to the Secretary:

"The Secretary told me on his return from NSC today that he had discussed the security treaty with Australia and New Zealand with the President.

"The President has approved the draft submitted to him by the Secretary's memorandum of July 10, 1951. I have informed Mr. Dulles." (Lot 53D444)

The draft treaty was made public on July 12. For text, see Department of State *Bulletin*, July 23, 1951, p. 148. For the accompanying statements by Messrs. Berendsen, Dulles, and Spender, see *ibid.*, pp. 147-148.

⁴ At the bottom of the source text is this handwritten notation: "Approved 7/23/51 Harry S Truman".

611.96/7-1751

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, July 17, 1951—4 p. m.

233. During conversation with Quirino today Pres. strongly deplored the preferred position given to Australia and New Zealand by the recently announced alliance with the US. The signing of a formal agreement with Australia and New Zealand implies to Quirino and the Phil public that US does not regard the Phils as a sovereign nation. Despite my explanations that our public statements regarding the defense and security of the Phils do in fact constitute a closer alliance than is the case with Australia and New Zealand, the fact that we have signed such an agreement with Australia and New Zealand and not with the Phils is strongly resented by Quirino and lends support to the criticisms of Recto¹ and the govt opposition. We may anticipate that both Quirino and Romulo will press for a more formal defensive alliance.

The press has been too busy with reparations question to give more than passing attention to the announcement of the proposed New Zealand Australia US alliance. However Recto did not allow the opportunity to pass unnoticed. On July 14 he said "Australia and New Zealand have been given treaties of alliance and mutual defense with the United States. Even Japan will be given such a treaty. The Philippines have been ignored and we are confronted with the possibility that the United States will be Japan's ally, but not ours."

COWEN

¹ Senator Claro M. Recto of the Nacionalista Party.

Lot 54D423

*Memorandum of Conversation, by the Consultant to the
Secretary (Dulles)*

SECRET

[WASHINGTON,] July 18, 1951—12:15 p. m.

Participants: General Omar N. Bradley
Mr. John Foster Dulles

I had told Deputy Secretary Lovett that it might be useful for General Bradley and me to speak together in view of the impression gained by the Foreign Affairs Committee that we had given somewhat conflicting testimony with reference to the role of the Philippines in Pacific security. General Bradley subsequently telephoned me and I met with him at his office at 12:15 p. m., July 18.

General Bradley said he had told the Committee that if there were political reasons why the present unilateral arrangement with the

Philippines should be changed by bringing the Philippines into the trilateral arrangement with Australia–New Zealand, the Joint Chiefs would have no serious objection, although they preferred the present arrangement. I recalled to General Bradley the statement contained in paragraph 2(b) of the memorandum from the Joint Chiefs to the Secretary of Defense of April 11, 1951,¹ that there would be “serious disadvantages” in a new arrangement with the Philippine Republic and any “enlargement” of the arrangements presently in effect “would be contrary to U.S. security interests”. General Bradley said that he perhaps had not had this fully in mind when he testified before the Committee, but that the considerations in the Joint Chiefs of Staff statement referred to were not sufficiently strong so that they would object to an alteration of the present arrangements if there were political reasons therefor.

I stated that at the time in question (April) there had not seemed to be political reasons of sufficient importance to outweigh the military viewpoint expressed. However, I said that situation might be changing as a result of the strong public emotion in the Philippines against the U.S. because of what they considered to be the leniency of the proposed Japanese Peace Treaty. This emotion had led them to look for every pretext for criticizing the U.S. and one point that had recently emerged was the apparent discrimination in treating with Japan’s security and Australia–New Zealand security on a treaty basis of mutuality, whereas the Philippines was dealt with on a unilateral basis. We did not think that either the Philippines or Australia–New Zealand wanted to be linked together by the same security treaty, but it might be desirable to have a bilateral treaty between the Philippines and the U.S. which would contain mutual declarations of the Monroe Doctrine type. I said that it might be unnecessary to have a “council”. However, General Bradley said there would be no military objection to a “council” if it was essentially of a political character and avoided the interchange of military planning information.

J[OHN] F[OSTER] D[ULLES]

¹ See Secretary Marshall’s letter of April 13 to Secretary Acheson, p. 201.

694.00/7–1751 : Telegram

*The Secretary of State to the Embassy in the Philippines*¹

CONFIDENTIAL PRIORITY WASHINGTON, July 18, 1951—3 p. m.

213. Dept seeking some device to counteract or at least soften Phil reaction reparations and security aspects Jap peace treaty and ex-

¹ Telegram drafted by Mr. Melby and cleared in draft by Mr. Lacy and Mr. Rusk.

pected continuation this agitation. Dept hoped Phil reaction US-Austral-NZ trilateral wld be based on unique Phil-Amer relations which totally unlike anything US has ever had with any other country and that therefore Phils wld consider its relations with US something far more intimate and beyond any treaty relationship which US might have with any other friendly country. In this sense Dept had hoped Phil wld consider trilateral simply as strengthening US relations with other fon govts which wld fall far short of relations with Phils which have been unequivocally stated on numerous occasions by Pres and SecState and registered in such arrangements as base agreement.

Foregoing interpretation may seemingly be incorrect reurtel 233, July 17.² Dept wld appreciate your views as to whether formalization of US guarantees to Phils in simple treaty of alliance and guarantee at this time wld serve any useful purpose to increase Phil sense of security and make more palatable disappointment over failure secure inclusion in Jap peace treaty stronger reparations clause. This shld not be discussed with Filipinos at this juncture.

ACHESON

² *Ante*, p. 223.

694.001/7-1951: Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

CONFIDENTIAL PRIORITY

MANILA, July 19, 1951—4 p. m.

279. Deptel 213, July 19 [18].¹ In my judgment simple treaty of alliance with Phils will help substantially to clarify present situation. Phils are genuinely concerned about security and honestly fear proposed Jap peace treaty will facilitate resurgence Jap econ potency and open way for return of mil power. A more formal defense arrangement will quiet fears of those here who view oral commitments with some suspicion and by providing equality of treatment will remove one basis of opposition attacks. It will also enable Phils to play up idea of Pacific pact of which Quirino likes to think he is chief architect and to that extent serve as face saver in the present peace treaty muddle. In order to pursue idea to best advantage I hope DG [*Dept?*] will auth me to discuss it in confidence with Romulo and Quirino at early date. The timing of our approach and of subsequent policy must be carefully planned with view to taking as much heat off reparations question as possible.

COWEN

¹ *Supra*.

694.001/7-2051 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

CONFIDENTIAL PRIORITY

MANILA, July 20, 1951—noon.

300. In *aide-mémoire* recd today ¹ Embassy is officially informed that it is "a matter of regret to the Philippine Govt that the Philippines has not been included in the security pact recently announced between Australia, New Zealand and the US." The *aide-mémoire* adds "the Philippine Govt recognizes the immediate threat to the security of the Philippines that a remilitarized Japan wld pose. It wld like, therefore, to urge on the US Govt the inclusion in the Japanese peace treaty of provisions establishing adequate safeguards against the resurgence of Japan as a military power such as those proposed in the memorandum of the Secretary of Foreign Affairs to Ambassador Dulles dated May 31, 1951 ¹ and in his letter dated June 15, 1951." ²

The foregoing is transmitted as further indication desirability concluding simple treaty of alliance with Philippines as recommended in Embtel 279, July 19.³

COWEN

¹ Not printed.² Not found in Department of State files; for a synopsis, see telegram 3999 from Manila, June 12, p. 1116.³ *Supra*.

790.5/7-2051

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, 20 July 1951.

DEAR MR. SECRETARY: I am transmitting herewith a copy of the views of the Joint Chiefs of Staff, dated 9 July 1951, with respect to the Trilateral Agreement between the United States, Australia, and New Zealand. At the direction of the Deputy Secretary of Defense, representatives of this office presented this memorandum to Mr. Dulles and discussed it with him on 10 July.¹

The purpose of this letter is to confirm for the sake of the record the agreement reached in that discussion for the rewording of Article VII and VIII as follows:

Article VII:

"The Parties hereby establish a Council consisting of Foreign Ministers or their Deputies, on which each of them shall be represented to consider matters concerning the implementation of this treaty. The Council should be so organized as to meet at any time."

¹ No memorandum of this conversation has been found in Department of State files.

Article VIII:

"Pending the development of a more comprehensive system of international security in the Pacific Area and the development by the UN of a more effective means to obtain international peace and security, the Council, established by Article VII is authorized to maintain a consultative relationship with States, Regional Organizations, Associations of States or other authorities in the Pacific Area which are in a position to further the purposes of this treaty and contribute to the security of that area."

Faithfully yours,

G. C. MARSHALL

[Enclosure]

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Marshall)*

TOP SECRET

WASHINGTON, 9 July 1951.

Memorandum for the Secretary of Defense

Subject: Draft Treaty for Consideration by the Governments of Australia, New Zealand and the United States.

1. In accordance with the request contained in your memorandum dated 29 June 1951,² the Joint Chiefs of Staff have studied the draft security treaty between the United States, Australia and New Zealand which you enclosed. They have examined particularly the revised Articles VII and VIII thereof, inasmuch as there was objection from the military point of view to the language of these two articles in the previous draft.

2. With respect to the redraft of Article VII, the Joint Chiefs of Staff reaffirm their previous position that they consider it preferable, from a military point of view, to exclude all references to, and to make no provision for, the creation of any formalized body such as the proposed Pacific Council.

3. It would appear that a new concept has been written into the present draft of Article VIII; namely, authority for the Pacific Council "to maintain a consultative relationship with States, Regional Organizations, Associations of States or other authorities in a position to further the purposes of this Treaty and to contribute to the security of the Pacific area." This language would appear to authorize the establishment of machinery whereby the Pacific Council, acting as a body, would deal continuously with the North Atlantic Council as a body, and/or the Organization of American States (OAS) as a body, and/or other international organizations or individual states. Under such authority, it is reasonable to expect that the Pacific Council, as such, would address military questions to the OAS or to the

² Not found in Department of State files.

North Atlantic Treaty Organization (NATO). Reply to such questions, or military conversations relating thereto, would then involve action by the Inter-American Defense Board or the Standing Group of the North Atlantic Military Committee, as appropriate.

4. Thus the new concept written into Article VIII makes it possible for the Pacific Treaty nations, the NATO nations, and the OAS nations to assume, for all practical purposes, the status of a federation of states, within which there must exist machinery for a wide variety of actions, including military planning and collaboration.

5. The Joint Chiefs of Staff view with concern these implications of the new concept written into Article VIII, for the following reasons:

a. It would require the establishment of a new military agency under the Pacific Council. The Joint Chiefs of Staff previously stated they considered this to be objectionable from a military point of view;

b. The actions flowing from this concept would tend further to reduce, without compensating advantage, United States military freedom of action; and

c. There is considerable likelihood that Australia and New Zealand would become so involved in military problems in the Pacific as a whole as to be reluctant to fulfill their military responsibilities to the British Commonwealth. In this connection, the Joint Chiefs of Staff would emphasize that there are strategic areas of the world other than the Pacific in which the use of Australian and New Zealand forces is considered of major importance. Further, they believe that in event of general war, the primary strategic responsibility for the Pacific—other than defense in a local sense of the territories and waters of certain nations—must inevitably rest with the United States. This was the case during World War II.

6. In view of the foregoing, the Joint Chiefs of Staff from the military point of view recommend:

a. That the proposed Article VIII be redrafted so as to limit its scope to:

(1) Provision for entry of additional members, as desirable; and

(2) Incorporation of the substance of Article 10 of the North Atlantic Treaty, modified as appropriate; and

b. Further, that the proposed Article VII be deleted from the new draft of the security treaty.

7. The following language is suggested for the redraft of Article VIII:

“In order to provide a more comprehensive system of regional security in the Pacific Area, the Parties may, by unanimous agreement, invite any other Pacific state in a position to further the principles of this Treaty and to contribute to the security of the Pacific Area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government

of Australia. The Government of Australia will inform each of the Parties of the deposit of each such instrument of accession."

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

S/P Files : Lot 64D563

*Memorandum on the Substance of Discussions at a Department of State-Joint Chiefs of Staff Meeting*¹

TOP SECRET

[WASHINGTON,] July 25, 1951—11 a. m.

PRESENT:

General Bradley	Mr. Matthews
General Vandenberg	Mr. Hickerson ⁴
Admiral McCormick ²	Mr. Rusk
General Hull ³	Mr. Nitze
Admiral Duncan	Mr. Ferguson
General Bolte	Mr. Tufts ⁵
Admiral Davis	Mr. Lay
General White	Mr. Nash ⁶
Admiral Wooldridge	
Admiral Lalor	
Colonel Carnes	

[Here follows the portion of this memorandum which deals with Korea; documentation on this subject is scheduled for publication in volume VII.]

Mr. Rusk raised the question of the Philippine attitude toward the Japanese Peace Treaty. He stated that the Philippine Government was angry over the reparations issue even though it had known for six years that it was not going to receive reparations. He thought that it might be necessary to register in some kind of statement or agreement the importance which the U.S. attached to the security of the Philippines. General Bradley thought that our present bilateral arrangements were perfectly satisfactory and provided every assurance that the Philippines required. He asked whether Mr. Rusk thought something more was required. Mr. Rusk replied that he was

¹ The source text bears the following notation: "(State Draft. Not cleared with any of the participants.)"

² Adm. Lynde D. McCormick, Vice Chief of Naval Operations.

³ Lt. Gen. John E. Hull, Deputy Chief of Staff for Administration, U.S. Army.

⁴ John D. Hickerson, Assistant Secretary of State for United Nations Affairs.

⁵ Robert Tufts of the Policy Planning Staff.

⁶ Frank Nash, Assistant to the Secretary of Defense for International Security Affairs.

not thinking of an additional commitment but an expression of our present commitments in a new piece of paper.

General Bradley stated that the Joint Chiefs disliked the idea of any five-power arrangements in the Pacific area and thought that a bilateral arrangement with the Philippines was the most satisfactory way of dealing with this problem. Mr. Rusk agreed that we do not want to water down our present arrangement and that we do not want to become involved in an organization which would make necessary the exchange of information and planning on a joint basis. He thought that if these two points were safeguarded, it would be possible to give new expression to our determination to react in the event of an attack on the Philippines. General Vandenberg thought that the Joint Chiefs would have to look at any proposal before they could approve it in principle. He pointed out that if there were simultaneous attacks on Japan and the Philippines, we might be unable to come to the assistance of the Philippines.

It was decided to postpone further consideration of this issue for the time being.

790.5/7-2651 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

CONFIDENTIAL

MANILA, July 26, 1951—3 p. m.

376. Ref Deptel 304, July 25.¹ UP story stemmed from fol:

At luncheon given for Gov Dewey ² July 19 Pres Quirino made short address in which he said: "We in Phils initiated the idea of a Pacific pact in 1949. We want the idea carried out now. We hope you can help us when you return to Amer. The Phils must be the anchor of such a Pacific security pact."

Dewey replied in very gen terms stating: "I am equally sure that the program for mutual defense will be gratifying to each and every one—both the Phils and the US . . . The relationship between our countries will grow firmly and securely and will provide the cornerstone for the ultimate realization of the dream first launched by Pres Quirino of a united Pacific against aggression."

The Fon Office on July 21 issued press release on Dewey luncheon in which above quotation from Quirino speech was given verbatim.

¹ This telegram reads: "UP July 23 recd Manila's story quoting Romulo Statement that Phil-Amer negots already initiated on security pact which wld satisfy Phil desires this problem. Romulo reportedly expressed his hope such treaty cld be signed prior Jap peace treaty. Your comments explanation wld be appreciated as to why Romulo made this rather extraordinary statement and on what he based his assumption. Strictly FYI Phil alliance still requires approval by Pres and JCS as well as consultation with certain key Cong leaders." (790.5/7-2651)

² Governor Thomas E. Dewey of New York, then on a tour of several East Asian countries.

This press release stated that "diplomatic circles" interpreted Quirino's speech to mean that "the Filipino leader has given the go ahead signal for the start of negots with Wash to press for either the inclusion of the Phils in the projected US-Australian-New Zealand security pact or for a separate Phil-US mutual defense treaty." Govt actually anxious to prevent Recto claiming credit in event such alliance concluded.

There have been no negots held on this subject.

COWEN

790.5/7-2751 : Telegram

The Secretary of State to the Embassy in the Philippines

SECRET

WASHINGTON, July 27, 1951—4 p. m.

PRIORITY

334. For Amb Cowen from Rusk. Pls take earliest opportunity to get from Romulo in as much detail as possible his ideas concerning nature and possibly even text of security treaty between US and Phils. You shld tell Romulo that this matter is being given urgent and most serious consideration here but that you are without instrs on particular points. One important conclusion already reached here is that any such additional agreement must not disturb in any way existing arrangements on security matters between US and Phils. Further, we cannot forget that we made a major concession to Phils on reparations only to have them explode in irresponsible tantrum, despite fact they have known for years that there wld be no substantial reparations from Japan. If we now make specific in additional agreement mutual security pledges, what assurance do we have that Phil Govt will adopt responsible attitude toward Jap peace treaty and begin to correct situation for which it itself is so largely responsible? [Rusk.]

ACHESON

694.001/8-251

Memorandum of Conversation, by the Deputy Director of the Office of Philippine and Southeast Asian Affairs (Melby)

CONFIDENTIAL

[WASHINGTON,] August 2, 1951.

Subject: Japanese Peace Treaty

Participants: Mr. McNicol, Australian Embassy.
Mr. Melby, PSA.

Mr. McNicol called this morning to inquire as to the accuracy of press reports he had seen that negotiations had already been started, according to General Romulo, on a Philippine security alliance. I told Mr. McNicol that, as he realized, security was one of the two

main points bothering the Philippines on the Japanese peace treaty and that although we would of course give serious consideration to any proposal the Philippines might make to the end of reassuring them on the question of security, no negotiations had as yet been initiated. I said that I could easily interpret General Romulo's alleged statement as being for internal political consumption at this time. Mr. McNicol wanted to know whether, if there were negotiations, it would be our idea to conclude them prior to the Japanese peace treaty? I said I did not know since that would depend on the course of developments although presumably there might be advantages to concluding all Pacific arrangements about the same time. He then expressed concern as to whether any possible arrangement between the United States and the Philippines might contain provisions which would be harmful to the Australian-New Zealand trilateral and the arrangements contained therein. I replied that although of course I could not say what any such possible treaty might contain, I thought he could rest assured that there would be nothing in it which would be damaging to United States-Australian relations and arrangements. He expressed his appreciation for the assurance and added that as a matter of fact Australia would consider a Philippine-American alliance a perfectly natural and desirable development, particularly in view of comparable arrangements north and south of the Philippines. He said that although Australia would prefer that any such arrangement be bilateral for a number of reasons, he rather thought that as a last resort Australia might agree to the inclusion of the Philippines in the trilateral if that were the only way out.

[Here follows a discussion of the Philippine position on the draft Japanese peace treaty.]

790.5/8-251

*The Secretary of State to the Secretary of Defense (Marshall)*¹

SECRET

WASHINGTON, August 2, 1951.

MY DEAR MR. SECRETARY: The President's directive of January 10, 1951² to Mr. John Foster Dulles authorized a mutual assistance arrangement among the Pacific Island nations (Australia, New Zealand, The Philippines, Japan, the United States and perhaps Indonesia). It was subsequently agreed to break this arrangement into three parts, one dealing with Australia and New Zealand, another dealing with Japan, and a third dealing with the Philippines.

In the case of Australia and New Zealand there will be the agreed upon Trilateral Security Treaty, and in the case of Japan the agreed upon Bilateral Security Treaty. It was our hope, however, primarily

¹ Letter drafted by Mr. Lacy and Mr. Dulles.

² See enclosure 2 (as annotated) to the letter of January 9 from Mr. Acheson to Secretary Marshall, p. 788.

in deference to the views as we understood of the Joint Chiefs of Staff, that the security arrangement with the Philippines could be kept on a unilateral rather than a bilateral basis.

There has now arisen strong agitation in the Philippines centering around the two points of reparations and security. There are extravagant demands for reparations which cannot be fulfilled and recently the Philippines have also raised the point that the proposed Trilateral Treaty with Australia and New Zealand, and the proposed Bilateral Treaty with Japan represent discriminations against the Philippines, rather than a strengthening of American relations with these countries so as to bring that relationship to a level comparable to that which already exists with the Philippines.

Ambassador Cowen has strongly recommended that Philippine fears and disappointments could be assuaged if the public assurances which have been given could be formalized in a simple treaty of alliance and mutual security.

American policy in general approves of Pacific alliances designed to strengthen security in the area and to deter aggression. The Trilateral with Australia and New Zealand and the Bilateral with Japan fit into this pattern and it, therefore, seems to me that a security treaty with the Philippines, in which the Philippine Government expressed a definite interest in an *aide-mémoire* to our Embassy on July 20,³ would also be appropriate, provided the Philippines accept the basis on which the United States is prepared to conclude peace with Japan.

The Department of State considers that such a treaty with the Philippines should not include any provision for consultation between the United States military establishment and the Philippine military establishment. Moreover, the Department of State is particularly concerned that such a treaty leave undisturbed our present military arrangements in the Philippines which are particularly advantageous to the United States.

In view of the impending signature of the Treaty of Peace with Japan it is important, in order to secure the desired objective, that we be in a position promptly to advise the Philippine Government of our readiness to consider making a security treaty with it.

A suggested draft of treaty is enclosed which conforms to these views. I would be grateful to you for the earliest possible expression of views of the Department of Defense, in the first instance upon the principle of putting our security commitment to the Philippines on a treaty basis, and in the second instance, as to the acceptability from a military standpoint of the enclosed draft.

Sincerely yours,

DEAN ACHESON

³ Not printed.

[Enclosure]

*Draft United States-Philippine Security Treaty Prepared in the
Department of State*

SECRET

[WASHINGTON,] August 1, 1951.

The Parties to this Treaty,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the Pacific Area,

Desiring to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific Area,

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area,⁴

Agreeing that nothing in this present instrument shall be considered or interpreted as in any way or sense altering or diminishing any existing agreements or understandings between the United States and the Philippines,

Therefore declare and agree as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

⁴This draft of August 1 is identical in substance to a draft by Mr. Melby dated July 30, excepting the omission of the following paragraph from the Preamble: "Taking into account the desire of the Philippines that the public assurances by the United States that any act of aggression against the Philippines would be a direct and immediate threat to the security of the United States and their traditional relations, should receive formal affirmation in a written instrument, and".

In a memorandum of July 31 to Mr. Melby, Mr. Merchant had commented:

"It seems to me unnecessary and graceless to pin the responsibility for incorporating our assurances in a treaty on the Filipinos, particularly in light of my assumption that it would be a clearly understood quid pro quo for the signature to the Japanese peace treaty. Moreover, I wonder if we might not expose the Administration to criticism from hostile Senators who might argue that since this is merely formalization of security assurances given by the President and the Secretary of State, the Administration had in fact already assumed what amounted to a treaty obligation to the Filipinos without securing the advice and counsel of the Senate." (Draft and memorandum both in Lot 54D423)

ARTICLE II

In order more effectively to achieve the objective of this Treaty the Parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE III

The Parties will consult together whenever in the opinion of either of them the territorial integrity, political independence or security either of the Parties is threatened in the Pacific.

ARTICLE IV

Each Party recognizes that an armed attack in the Pacific area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE V

For the purpose of Article IV, an armed attack on either of the Parties is deemed to include an armed attack on the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.

ARTICLE VI

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VII

This Treaty shall be ratified by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the Philippines. The Treaty shall enter into force as soon as the ratifications of the signatories have been deposited.

ARTICLE VIII

This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

ARTICLE IX

This Treaty in the English language shall be deposited in the archives of the Government of the Philippines. Duly certified copies thereof will be transmitted by that Government to the Government of the United States.

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.

Done at _____ this _____ day of _____ 1951.⁵

⁵ In a memorandum of August 2 Mr. Battle stated :

"The Secretary told me on his return from the White House that he had left with the President a copy of the letter to General Marshall and a copy of the draft treaty. The Secretary told the President that he thought the President had decided the issue and there probably would be none if the Department of Defense went along with our proposal. The President said that he was for a treaty and saw no arguments against it, but if any issue arose and was brought to him, he would decide it." (Lot 54D444)

Editorial Note

In telegram 403, August 2, to Manila, drafted by Mr. Dulles and cleared with Mr. Battle, the Department instructed the Embassy as follows: "While you shld not yourself bring up the subj of possible Bilateral security treaty between Phil and US, if it shld be brought up by Quirino or Romulo you are authorized to state that we will give this matter sympathetic consideration." (790.5/8-251)

In telegram 500 from Manila, August 3, 5 p. m., Ambassador Cowen reported :

"During talk this morning Quirino brought up question of treaty of alliance (Deptel 403, Aug 2) which he is most anxious to conclude. He asked me why Phils cld not participate in same treaty that is to be signed with Australia and New Zealand so that such mutual defense arrangement cld be expanded at some later and more appropriate time into general PAC pact. I told him it wld be far more dignified for Phils to negotiate a bilateral security treaty with the US than to ride on the coat tails of Australia and New Zealand. Romulo is still working on language for such treaty." (694.001/8-351)

The remainder of this telegram is printed on page 1237.

In telegram 448 to Manila, August 6, 7 p. m., drafted by Mr. Dulles and cleared with the Office of Philippine and Southeast Asian Affairs, the Department stated: "We are pressing urgently for governmental decision in principle re bilateral security treaty along lines trilateral treaty. We are strongly of opinion it shld be a bilateral with Phils so as to better preserve Phil ability to link with Southeast Asia. A further development of Western Pacific security cld consolidate the initial steps. But this wld be later phase. Will cable soonest when decision in principle reached.

"Contents this cable for your pers background guidance pending more formal definition our position." (694.001/8-651) Another por-

tion of this telegram is summarized in footnote 5 to telegram 504 from Manila, August 4, page 1239.

790.5/8-651 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, August 6, 1951—6 p. m.

529. Phil Govt has submitted fol recommended text of bilateral treaty of alliance between Phils and United States. Deptel 403¹ Aug 2:

Verbatim text.

Article blank. In order more effectively to achieve the objectives of this treaty, the Republic of the Phils will maintain and develop its capacity to resist armed aggression, to which end the United States of America will render continuous and effective aid to the development of the armed forces of the Phils.

Article blank. The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened.

Article blank. The Republic of the Phils will facilitate the transfer of strategic materials to the United States to the extent necessary to achieve the objectives of this treaty.

Article blank. The parties agree that an armed attack against either country shall be considered an attack against both, and consequently, they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or mutual self-defense, recognized by article 51 of the charter of the United Nations, *will assist the party so attacked by using armed force and taking such other actions deemed necessary* to restore and maintain the security of the territory of the party attacked.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain internatl peace and security.

Article blank. The parties hereby establish a council, on which both shall be represented to consider matters concerning the implementation of this treaty. The Council shall set up such subsidiary bodies as may be necessary and shall establish within six (6) months after ratification of the treaty, a defense committee which shall recommend measures for the implementation of articles blank and blank.

Article blank. The parties may, by mutual agreement, invite any other Pacific state in a position to further the principles of this treaty and to contribute to the security of the Pacific area, to adhere to this agreement.

Article blank. After the treaty has been in force for ten (10) years, or at any time thereafter, the parties shall, if one of them so requests, consult together for the purpose of reviewing the treaty and *its implementation*, having regard for the factors then affecting peace and security in the Pacific area including the development of universal as

¹ See the editorial note, *supra*.

well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

Article blank. After the treaty has been in force for twenty (20) years, any party may cease to be a party one year after its notice of denunciation has been given to the government of the other party.
(*End text*)

Emb wld appreciate Dept's comments soonest.

COWEN

796.5/851

The Acting Secretary of Defense (Lovett) to the Secretary of State

TOP SECRET

WASHINGTON, August 8, 1951.

DEAR MR. SECRETARY: In view of the urgency of the US-Philippine Security Treaty, I am transmitting immediately for your information and consideration the views of the Joint Chiefs of Staff. These are in response to your letter of 2 August 1951¹ and have already been informally presented to you and to Mr. Dulles.

Faithfully yours,

ROBERT A. LOVETT

[Enclosure]

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Marshall)

TOP SECRET

WASHINGTON, 8 August 1951.

Memorandum for the Secretary of Defense:

Subject: U.S.-Philippine Treaty of Alliance.

1. This memorandum is in response to your memorandum, dated 2 August 1951,² in which the views and recommendations of the Joint Chiefs of Staff were requested on a letter from the Secretary of State, dated 2 August 1951, in which he proposed the conclusion of a treaty of alliance with the Philippines.

2. The Joint Chiefs of Staff believe that no military advantage would accrue to the United States through the conclusion of a treaty of alliance with the Philippines to take the place of the mutual security arrangements now existing between the United States and the Republic of the Philippines which entered into force on 26 March 1947.³

¹ *Ante*, p. 232.

² Not found in Department of State files.

³ Reference is to the agreement between the two countries respecting military bases, signed at Manila March 14, 1947. For text, see TIAS No. 1775 or 61 Stat. (pt. 4) 4019. For documentation regarding negotiation of this agreement, see *Foreign Relations*, 1946, vol. VIII, pp. 876 ff. and *ibid.*, 1947, vol. VI, pp. 1102 ff.

The agreement in question was not superseded by the conclusion of the U.S.-Philippine Mutual Defense Treaty.

3. However, they recognize that, when all considerations which bear on this matter are taken into account, it may be to the over-all advantage of the United States to have such a treaty of alliance. If that decision is reached, the Joint Chiefs of Staff recommend that the suggested draft of the treaty forwarded to you by the Secretary of State under cover of his memorandum of 2 August, if it is used as a basis for entering negotiations with the Republic of the Philippines, be amended as follows, for the reasons stated :

a. Delete the third paragraph of the preamble which reads:—"Desiring further to strengthen their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific area,".

Reason: The paragraph quoted above carries with it the implication that the treaty under discussion is an interim measure and that there would be continuing discussion looking toward the development of a much more inclusive Pacific security arrangement.

b. Delete Article II of the proposed treaty.

Reason: The proposed Article II contains the implication that "mutual aid" will continue for an indefinite period and thus would provide a basis for never-ending requests from the Philippines for military aid from the United States. If it is determined that such deletion is impracticable, the article in question should be re-phrased to remove the inference which may be read into this article through use of the phrase which reads:—"by means of continuous and effective".

c. In Article III the words "by external armed attack" should be inserted between the words "threatened" and "in".

Reason: As written, Article III would require action by the United States in cases of internal uprisings in the Philippines, and it is felt that the article should clearly state that consultation is actually intended only in cases of threats from external sources.

For the Joint Chiefs of Staff :

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

Editorial Note

Telegram 481 to Manila, August 8, is of central importance to both this compilation and the compilation on Japan. It is printed in the latter, page 1247.

611.961/8-951

*Memorandum of Conversation, by the Assistant Secretary of State
for Far Eastern Affairs (Rusk)*¹

[WASHINGTON,] August 9, 1951.

Subject: Tripartite Security Treaty and a United States-Philippines
Security Agreement

Participants: The Australian Ambassador, Mr. Spender
Mr. David McNicol, First Secretary Australian
Embassy
FE—Mr. Rusk
BNA—Mr. Shullaw

The Australian Ambassador, Mr. Spender, in the course of a conversation with me today asked about our plans with respect to a Philippines-United States bilateral security treaty. I told Mr. Spender that we are beginning negotiations with the Philippines, and we had come to the conclusion that it might be necessary to register our commitments to the Philippines in this manner.² I said that such an agreement would not cut across the treaty with Australia and New Zealand.

The Ambassador said that if the agreement with the Philippines turned out to be more explicit in its commitments than the treaty with Australia and New Zealand, the reaction in Australia would be very bad. I told Mr. Spender that we were not thinking of a treaty with the Philippines going beyond the terms of the tripartite agreement. The Ambassador's comment was that he hoped the Philippines' agreement would not go as far. He added that already opponents in Australia of the Japanese treaty were alleging that the commitments in the tripartite treaty were not sufficiently explicit. Conclusion of a bilateral treaty between the United States and the Philippines which placed the Philippines in a firmer position with respect to commitments than Australia and New Zealand, would be very disturbing to his Government and would have unfortunate domestic-political repercussions.

¹ Memorandum drafted on August 10 by J. Harold Shullaw, assigned to Australian affairs in the Office of British Commonwealth and Northern European Affairs.

² In the source text, the second sentence as originally typed began: "I told Mr. Spender that we had not yet begun negotiations with the Philippines, but". The revision is by Mr. Rusk.

Lot 54D423

*Draft of Letter by the Secretary of State to the Secretary of
Defense (Marshall)*¹

TOP SECRET

WASHINGTON, undated.

MY DEAR MR. SECRETARY: I thank you for your letter of August 8,² in reply to my letter of August 2, 1951,³ transmitting the copy of the memorandum of 8 August 1951 from the Joint Chiefs of Staff on the subject of United States-Philippines Treaty of Alliance.

We appreciate the prompt action of the Joint Chiefs which we sought in view of the rather critical political situation that now prevails in the Philippines.

I am glad to note the recognition by the Joint Chiefs that, when all considerations which bear on this matter are taken into account, it may be to the over-all advantage of the United States to have such a Treaty of Alliance.

With respect to the suggestions made by the Joint Chiefs of Staff in relation to the suggested draft of Treaty enclosed in my letter of August 2, 1951, I have the following observations to make:

Comment *a* calls for deletion in the Preamble of the reference to "the development of a more comprehensive system of regional security in the Pacific Area". This language is precisely that which was approved without question by the Joint Chiefs of Staff in the Preamble to the Security Treaty to be signed with Australia and New Zealand.⁴ It is responsive to the view of the Department of State that a more comprehensive system is desirable at some future date, and this view is held strongly by both the Senate Foreign Relations Committee and the House Foreign Affairs Committee. It was, furthermore, reflected in the President's Statement of April 18, 1951, previously approved by the Department of Defense, which outlined a series of specific steps in the Western Pacific and called them "natural *initial* steps in the consolidation of peace in that area", thereby clearly implying that there may be further steps. It would be extremely difficult to explain why two treaties of similar import, which would presumably be signed at the same time, would involve a discrepancy in this respect. It might be inferred that if there were a more comprehensive system of regional security as envisaged by the other treaty, the Philippines would be excluded from the more comprehensive system. This inference would nullify the over-all advantage sought and referred to in Paragraph 3 of the Joint Chiefs' Memorandum.

Paragraph *b* suggests deletion of Article 2, dealing with "continuous and effective self-help and mutual aid". The language again is

¹ The source text bears no notation that would identify the drafting officer. It does bear this notation in an unidentified handwriting: "Not used J[ohn] F[oster] D[ulles] signed 8/9/51 letter instead". See p. 243.

² *Ante*, p. 238.

³ *Ante*, p. 232.

⁴ See draft of February 17, p. 172.

identical with that which was approved by the Joint Chiefs for the Australia-New Zealand-United States Security Treaty. It is taken from the "Vandenberg" Resolution which stipulates that regional and other collective arrangements with which the United States becomes associated should be "based on continuous and effective self-help and mutual aid". The purpose, we understand, is to make it clear that these arrangements do not give anyone a "free ride" but that there must be mutuality of effort. The "mutual aid" contemplated does not imply that the United States will support a Philippine military establishment, or that the Philippines will support a United States military establishment. The "mutual aid" can be through the development by the United States of its military establishment and the development by the Philippines of its military establishment.

As regards paragraph *c*, suggesting the introduction of the words "by external armed attack", we understand that the actual position of the United States is that it cannot permit the Philippine Islands to be taken either by external aggression or internal subversion (See NSC 84/2-paragraph 5).⁵ However, we shall seek in our negotiations to secure the results suggested by the Joint Chiefs of Staff. This involves a deviation from the pending Australia-New Zealand Treaty, but it is a deviation which we think we may be able to explain and justify because of the different circumstances which prevail in the Philippines, and because of a desire to negative any desire to intervene in the domestic affairs of the Philippines.

We do not yet know whether the Philippines will be prepared to negotiate a Security Treaty with the understanding that it is coupled to their participation in the proposed Japanese Peace Treaty. However, I felt it useful as promptly as possible to give you our reactions to your letter and its enclosure.

Sincerely yours,

⁵ Text of NSC 84/2, approved by the President November 10, 1950, is printed in *Foreign Relations*, 1950, vol. VI, p. 1514.

Lot 54D423

*Memorandum by the Consultant to the Secretary (Dulles) to the
Secretary of State*

TOP SECRET

[WASHINGTON,] August 10, 1951.

Subject: U.S.-Philippine Security Treaty

I enclose copy of letter to Secretary Marshall dated yesterday, delivered this morning. It follows the line of our conversation. It:

1. Rejects the JCS suggestion of eliminating reference to "a more comprehensive system of regional security in the Pacific Area", language already used in the Australia-New Zealand treaty.

2. It accepts the other two suggestions mentioned in the third paragraph of the enclosed letter. It is, however, our view that if the Philippine Government is insistent upon retention of the original lan-

guage, which is that of the Vandenberg Resolution embodied in all subsequent security treaties, we would have no effective argument against that. We are clear that this Vandenberg Resolution language does not have the meaning which now, for the first time, the JCS seem to feel will be imputed to it.

JOHN FOSTER DULLES

[Enclosure]

*The Consultant to the Secretary (Dulles) to the Secretary of
Defense (Marshall)*

TOP SECRET

AUGUST 9, 1951.

MY DEAR MR. SECRETARY: Secretary Acheson has asked me to acknowledge the receipt of your letter of August 8, 1951,¹ transmitting the views of the Joint Chiefs of Staff with reference to a United States-Philippine Security Treaty. As you say, these views were already presented informally to the Secretary and to me.

We appreciate the prompt action of the Joint Chiefs which we sought in view of the urgency of the matter.

In response to a message received earlier today² from Ambassador Cowen at Manila, we are tonight sending to him for discussion with Foreign Minister Romulo a text³ substantially in the form transmitted to you by the Secretary of State under date of August 2, 1951, which, however, (1) deletes the phrase, "by means of continuous and effective" in Article II as recommended by the Joint Chiefs of Staff; and (2) inserts "by external armed attack" in Article III as proposed by the Joint Chiefs of Staff.

We have not eliminated the Preamble reference to the development of a more comprehensive system of regional security in the Pacific area as suggested by the Joint Chiefs of Staff because the Secretary of State and I feel that this suggestion was perhaps made without the realization of the fact that identical provision is in the Preamble to the pending Australian-New Zealand-United States Security Treaty, approved by the Joint Chiefs, yourself and by the President. Since the United States is thereby committed to this concept, we feel that we could not omit reference thereto in the contemplated United States-Philippine Treaty without implying that if there *is* this more comprehensive system of regional security the Philippines would be excluded. This inference would nullify the overall advantage which we are seeking and which is referred to in paragraph 3 of the memorandum of the Joint Chiefs of Staff.

Sincerely yours,

JOHN FOSTER DULLES

¹ *Ante*, p. 238.

² Reference uncertain.

³ Transmitted in telegram 499 to Manila, August 10, not printed.

Lot 54D423

*Draft of Letter by the Consultant to the Secretary (Dulles) to the Secretary of Defense (Marshall)*¹

TOP SECRET

WASHINGTON, August 10, 1951.

MY DEAR MR. SECRETARY: Supplementing my letter of August 9, 1951,² I should like to inform you that, in consequence of last-minute advices³ from Ambassador Cowen as to Philippine reaction to the elimination of a "council" from the proposed United States-Philippine Security Treaty, Secretary Acheson authorized Ambassador Cowen to discuss with the Philippine Government a slight alteration of Article III of the draft as submitted by the Secretary of State to the Secretary of Defense on August 2, 1951.

In that draft Article III read:

"The Parties will consult together whenever in the opinion of either of them the territorial integrity, political independence or security of either of the Parties is threatened in the Pacific."

Ambassador Cowen was authorized to discuss an Article III which would read:

"The Parties through their Foreign Ministers or their deputies will consult together from time to time regarding the implementation of the treaty and whenever in the opinion of either of them the territorial integrity, political independence or security of either of the Parties is threatened by external armed attack in the Pacific."

The critical nature of the situation in Manila called for immediate action which we believe to be quite consistent with the point of view of the Joint Chiefs that there should be no formal or standing body, and that there should be no basis for any claim to exchange of information as to military planning. Article III in the original draft approved by the Joint Chiefs provided for consultation. The revised draft does little more than provide that such consultation shall be between the Secretary of State and his deputy, and the Minister of Foreign Affairs of the Philippines and his deputy, thus emphasizing the civilian and nonmilitary character of the consultations in the same way that was approved by the Joint Chiefs to accomplish that purpose in Article VII of the Australia-New Zealand Treaty.

It is the opinion of the Department of State that Article III as now suggested does no more than to reaffirm the normal diplomatic situation where the two Foreign Ministers, directly or through their

¹ A typed note accompanying the source text reads in part: "J[ohn] F[oster] D[ulles] not sure we will send but wants ready if needed." A handwritten note in the margin reads: "Not used".

² See p. 243.

³ Possibly a reference to the language concerning a "council" in the Philippine draft transmitted in telegram 529, August 6, p. 237.

deputies, have the right and custom of consulting with each other from time to time regarding any matters of common concern.

Sincerely yours,

JOHN FOSTER DULLES

Lot 53D444

Memorandum by the Special Assistant to the Secretary (Battle)

SECRET

[WASHINGTON,] August 10, 1951.

Mr. Lovett called the Secretary this afternoon. He said he had been going over the letter on the Philippine position in regard to the Treaty.¹ Mr. Lovett mentioned Article 3 and the provision in it regarding consultation from time to time of the Foreign Ministers and their Deputies. Mr. Lovett said that he assumed that this provision was put in in lieu of a provision for a council to discuss military matters. Mr. Acheson said that was the specific reason for this provision and that we had understood the Military Establishment objected to having to exchange military information with the Philippines. Mr. Lovett said he thought that was what was intended and that was exactly what he wanted to know.

While Mr. Lovett did not specifically indicate that this was acceptable to him, he did leave the impression that this would be satisfactory.

L[UCIUS] D. B[ATTLE]

¹ In the source text, the words "Japanese peace" are interpolated between the words "the" and "Treaty" in an unidentified hand. It is the opinion of the editors that this memorandum actually concerns the draft of what became the U.S.-Philippine Mutual Defense Treaty.

The letter referred to may be that of Mr. Dulles to Secretary Marshall, August 9, p. 243.

790.5/8-1051 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, August 10, 1951—3 p. m.

586. Does draft of tripartite security treaty between Australia New Zealand and United States¹ contemplate that in event attack on Phils or US bases in Phils United States shall have right to bring Australian and/or New Zealand troops on to Phil soil without expressed consent of Phil Govt. [?] This inquiry is made at specific request President Quirino.²

COWEN

¹ For text, see Department of State *Bulletin*, July 23, 1951, p. 148.

² In reply, the Department stated: "US considers it basic that a Treaty with Austral or NZ cld give US no rights with respect to the Phils." (Telegram 509 to Manila, August 10, drafted by Mr. Dulles, 790.5/8-1051.)

790.5/8-1251 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, August 12, 1951—2 p. m.

613. Immediately prior receipt here Deptel 499 of August 10¹ containing Dept's proposed text security bilateral and subsequent receipt Deptel² stating text being sent, Romulo submitted to me his second proposed text.³

In talk with Romulo yesterday morning and later talk with Quirino and Romulo last evening both urged that as much as is possible of fol language or substance of fol language of second be worked into preamble.

"Recalling with mutual pride the unique relationship of enduring sympathy and common ideals which brought their two peoples together to fight side-by-side against imperialist aggression during the last war.

"Desiring to declare publicly their common determination to defend themselves against armed attack and to assist each other in case of such an attack from whatever source or direction it may come".

And same treatment of fol in Article 4.

"Article 4

"The parties agree that an armed attack against either of them shall be considered an armed attack against both of them, and consequently, they agree that if such an armed attack occurs, each of them will assist the other party so attacked by taking forthwith individually and jointly with other party such action as it seems necessary, including the use of armed force, to repel the aggression".

And similar treatment of fol language in Article 8.

"Pending the development of a more comprehensive system of regional security in the Pacific area and the development by the United Nations of a more effective means to maintain internatl peace and security, the parties, individually and jointly through the procedure mentioned in Article 7 will maintain the closest understanding and cooperation with states, regional organizations associations of states or other authorities in the Pacific area in a position to further the purposes of the treaty and to contribute to the security of that area."

Their objective is to obtain something a little different from Australian New Zealand pact which will give some special recognition to special relationship which we so frequently emphasize and more particularly to Phil loyalty to us during last war and will also give recognition if possible to Quirino sponsorship of SE Asia Union. Failure to grant any of these concessions will not in my opinion produce many

¹ Not printed.

² Reference uncertain.

³ Not found in Department of State files.

serious consequences but in view of job Quirino with Romulo's support did on Friday ⁴ in forcing fifteen man comite to accept reparations clause ⁵ and in view of his expressed appreciation to me last evening of Dulles' and Dept's patient consideration Phil requests for revisions in face trying emotionalism of press and public here, I suggest that Dept put what frosting it can on his cake and also to further ease gen Phil disappointment when failure to get cash reparations becomes known. Press here is generally being helpful and beginning build up of all-importance of Phil security.

Quirino has asked me inform Dept of his desire to personally sign security bilateral with Pres Truman in San Francisco. Although this wld enhance his political prestige I see no objection to this inasmuch as barring Quirino's death it is almost inevitable that he will again be candidate two years from now and inevitably win with result that he and his henchmen will be in power for at least another six years.

As Quirino has during past months worn down dissidents within his own Liberal Party and infiltrated to some extent into opposition he has shown new ability to exert power of his office and make decisions as was demonstrated on Friday with fifteen man comite.

COWEN

⁴ August 10.

⁵ See telegram 608 from Manila, August 10, p. 1255.

694.001/8-1451 : Telegram

The Acting Secretary of State to the Embassy in the Philippines ¹

SECRET PRIORITY

WASHINGTON, August 14, 1951—5 p. m.

545. Taking into consideration changes requested by PhilGov in Embtel 613 ² Dept has rewritten first part of preamble as fols:

"The Parties to the treaty, reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Govts, and desiring to strengthen the fabric of peace in the Pacific Area,

"Recalling with mutual pride the historic relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side-by-side against imperialist aggression during the last war,

"Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific Area."

Remainder of preamble no change.

¹ Telegram drafted by Mr. Dulles and Temple Wanamaker, Acting Officer in Charge of Philippine Affairs.

² *Supra*.

Dept cannot accept proposed changes of language for Arts 4 and 8. Proposed language for Art 4 is similar to that used in North Atlantic Treaty and wld probably not be acceptable to Senate in view of controversy raised during recent debate on troops for Eur. That is why it was not used in Aust-NZ Treaty.

Proposed language for Art 8 unacceptable because of objection to disturbing present Phil-US relationship and unwillingness to involve such relationship formally with other states or orgs. Proposed language for Art 8 refers to an Art 7 presumably contained in Romulo's second draft.³ You shld inform Romulo that discussions shld be based on our draft sent you in Deptel 499. For your personal confidential info inclusion of Council or any similar org or coop with other states and orgs strongly objected to by Defense.

On assumption agreement will be reached with Phils on text Dept considering joint Phil-US press release.⁴

WEBB

³ See footnote 3, p. 246.

⁴ In telegram 667 from Manila, August 15, Ambassador Cowen reported in part that the language of the Treaty was now acceptable to the Philippine Government and that the Philippines were agreeable to joint release of the Treaty's text on August 16. However, the Government objected to language in a draft press release to accompany the Treaty which would have publicly linked conclusion of this Treaty with Philippine adherence to the Japanese Peace Treaty. (694.001/8-1551)

(The draft of press release, transmitted to Manila in telegram 549, August 14, is not printed; 694.001/8-1451.)

In telegram 570 to Manila, August 15, the Department stated in part: "Dept is agreeable to deletion from press release of clause 'in connection with their conclusion of a peace treaty with Japan' providing you obtain assurances in writing from Quirino that deletion is agreed upon only with distinct understanding that Phil Govt recognizes interdependence of the two treaties and that US in [is] under no obligation to ratify Mutual Defense Treaty (and Sen wld probably refuse to do so) if the Phils for any reason do not sign peace treaty." (694.001/8-1551)

694.001/8-1551 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

RESTRICTED NIACT

MANILA, August 16, 1951—10 a. m.¹

668. For Wm Gibson.² Re Embtel 667, Aug 15³ and your telephone call.⁴ Phils agreeable re insertion clause "in connection with their conclusion of a peace treaty with Japan". In view of leaks here and pub text of peace treaty it is imperative release proposed statement regard-

¹ Received August 15.

² Deputy Director of the Office of Philippine and Southeast Asian Affairs.

³ See footnote 4, *supra*.

⁴ No memorandum of this telephone conversation has been found in Department of State files.

ing mutual def treaty soonest. Hope you can auth release Manila as planned for morning papers 17th even tho Wash release may be slightly delayed. Advise urgently.⁵

COWEN

⁵ In telegram 575 to Manila, August 15, the Department replied: "Urtel Aug 16 agree release time 2100 Manila Aug 16. Dept will release 0900 including your phrase in press statement." (694.001/8-1551)

For text of the draft Treaty and the accompanying press release, see Department of State *Bulletin*, August 27, 1951, p. 335.

Lot 54D423

Memorandum by Mr. Robert E. Barbour of the Bureau of Far Eastern Affairs

CONFIDENTIAL

[WASHINGTON,] August 27, 1951.

Memorandum for the Files:

At this morning's 9:15 meeting on Japanese Peace Treaty Conference procedures, Mr. Rusk said that Foreign Minister Romulo of the Philippines had expressed concern at an apparent change in the bilateral treaty with the Philippines. He said that they had always considered that the title would be "Mutual Defense Treaty between the United States and Republic of the Philippines", whereas it was now listed as "Security Treaty between the United States and the Republic of the Philippines." Mr. Dulles said that it didn't make much difference what it was called, but we had always called it a Security Treaty to keep it consistent with the U.S.-Australia-New Zealand security treaties. However, if the Philippines considered it important enough to raise this question, we would change the title of the treaty to satisfy them.

Technical difficulties will prevent the credentials of the delegates from being changed. It will, however, be possible to change the title page of the Treaty to read "Mutual Defense Treaty between the Republic of the Philippines and the United States of America". This was taken up with Legal Adviser's Office, Mr. English¹ and Mr. Bevans,² who agreed that although the credentials of the delegates referred to a "Security Treaty" and they signed a "Mutual Defense Treaty", the only people who might question their authority to sign would be the Filipinos. This was highly unlikely. In any event, once the Treaty had been signed and ratified by both countries, it was extremely doubtful that any legal question could arise in the future.

¹ Benedict M. English, Assistant Legal Adviser for International Claims.

² Charles I. Bevans, Assistant for Treaty Affairs in the Office of the Legal Adviser.

Lot 54D423

*The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of Foreign Affairs of the Philippines (Romulo)*¹

[WASHINGTON,] August 29, 1951.

MY DEAR MR. SECRETARY: In connection with the Mutual Defense Treaty which we are about to sign I want to confirm to you our understanding that there is an interdependence between this Treaty and the contemplated Japanese Peace Treaty in the sense that it is assumed that both of us will sign and ratify both Treaties.

Sincerely yours,

DEAN RUSK

¹ Letter drafted by Mr. Dulles.

Editorial Note

On August 30, 1951, in Washington, with Presidents Quirino and Truman in attendance, representatives of the United States and the Philippines concluded the Mutual Defense Treaty between the two countries. Messrs. Acheson and Dulles, and Senators Tom Connally of Texas (Chairman of the Senate Foreign Relations Committee) and Alexander Wiley of Wisconsin (also of the Foreign Relations Committee) signed the Treaty for the United States. The Philippine signers were Secretary Romulo, Joaquin M. Elizalde (Ambassador of the Philippines to the United States), Senator Vicente Francisco (Chairman of the Senate Foreign Relations Committee), and Congressman Diosdado Macapagal (Chairman of the House of Representatives Foreign Affairs Committee).

For text of the Treaty, see 3 UST (pt. 3) 3947. Statements made at the signing ceremony by the two Presidents and by Secretaries Acheson and Romulo are printed in the Department of State *Bulletin*, September 10, 1951, page 422.

President Truman ratified the Treaty for the United States on April 15, 1952, after the United States Senate had given its advice and consent to ratification on March 30. The Philippine Government ratified the Treaty on August 27, 1952 and it entered into force with the exchange of ratifications that same day.

Editorial Note

On September 1, 1951, at the Presidio of San Francisco, representatives of Australia, New Zealand, and the United States concluded the

Security Treaty between the three countries. The signers for the United States were Messrs. Acheson and Dulles, Senator Wiley, and Senator John J. Sparkman of Alabama, a member of the Senate Foreign Relations Committee. Ambassador Spender signed the Treaty for Australia and Ambassador Berendsen signed it for New Zealand.

For text of the Treaty, see 3 UST (pt. 3) 3420. Statements made at the signing ceremony by Secretary Acheson and Ambassadors Berendsen and Spender are printed in the Department of State *Bulletin*, September 24, 1951, page 495.

President Truman ratified the Treaty for the United States on April 15, 1952, after the Senate had given its advice and consent to ratification on March 30. The Treaty came into force April 29, 1952, upon deposit of ratifications by all three Governments that day.

790.5/10-3151

*Memorandum of Conversation, by the Regional Planning Adviser of
the Bureau of Far Eastern Affairs (Emmerson)*

CONFIDENTIAL

[WASHINGTON,] October 31, 1951.¹

Subject: Pacific Pact.

Participants: Mr. David McNicol, Second Secretary, Australian
Embassy, and
Mr. John K. Emmerson, FE

During the course of a luncheon conversation Mr. McNicol referred to the problem of security arrangements in the Pacific and said he had heard rumors that the United States Government was considering some plan for the extension of these arrangements. We discussed Mr. Dewey's speech referring to a Pacific Pact² and newspaper accounts suggesting that Prime Minister Churchill might propose an extension of Pacific security arrangements. I referred to the inherent difficulties in a Pacific Pact and said I knew of no concrete plans beyond the present series of bilateral and trilateral agreements.

Mr. McNicol said he hoped that no negotiations would be started for additional security arrangements before the present ones were fully in operation. He said that he felt it was most important to put some "meat on the bones" of the pacts which had been signed. He referred to the importance of bringing Indonesia into closer relationships with the West but cited the Indonesian attitude toward New Guinea as an obstacle. He felt that Indonesia did not have the capa-

¹ Memorandum drafted November 2.

² Apparent reference to Governor Dewey's speech delivered on September 18 before the Convention of the American Bar Association. Text is printed in the *New York Times* of September 19.

bility of administering Netherlands New Guinea nor of exploiting its resources.

Mr. McNicol said he assumed nothing further would be done toward working out plans for implementing the trilateral agreement until Ambassador Cowen³ took over his new duties. It was clear that the point Mr. McNicol wished to make was the importance his Government attached to making the United States-Australia-New Zealand Agreement "something which worked" and not just a paper agreement.

³ On October 10 Ambassador Cowen had resigned his post. On November 15 he became Consultant to the Secretary with the personal rank of Ambassador, with special responsibility for aiding the implementation of the Mutual Defense Treaty with the Philippines and the Security Treaty with Australia and New Zealand. For text of the press release describing his appointment, issued October 23, see Department of State *Bulletin*, November 19, 1951, p. 808.

740.5/11-551

The Assistant to the Secretary of Defense for International Security Affairs (Nash) to the Assistant Secretary of State for European Affairs (Perkins)

SECRET

WASHINGTON, November 5, 1951.

DEAR MR. PERKINS: I have considered your suggestions in your letter of October 12¹ and Ambassador Spender's views on the implementation of the Security Treaty between Australia, New Zealand and the United States. Quite frankly, his proposals seem to me unwarranted in scope and premature for consideration at this time. It would appear that Ambassador Spender is suggesting a structure that is uncalled for to implement a treaty that has not yet been ratified.

I would like to call your attention to the record of previous correspondence between the Departments of State and Defense of this treaty. The Department of Defense has objected more than once to the inclusion of any military planning and any military organization either explicitly in the treaty provisions or implicitly as subsidiary to the Pacific Council, and the record demonstrates that the Department of Defense has the clear understanding that Article VII is political in character and does not call for military organization and planning.

In this light it does not appear that the organization outline proposed by Ambassador Spender conforms to the views of the Department of Defense in that a permanent Military Committee under the Pacific Council, and located in Honolulu would establish the very kind of machinery which the Department of Defense, including the Joint Chiefs of Staff, heretofore has opposed. Therefore, I do not

¹ Not found in Department of State files.

believe that it is now possible for this office to consider Ambassador Spender's proposals in connection with developing an agreed position between the Department of State and the Department of Defense on the implementation of the Tripartite Security Treaty. Moreover, I do not think it would be in the US military interests to furnish Mr. Spender with any substantive comments on his suggestion at this time or to participate in any informal Tripartite working group, although I realize that the Department of State has to discuss other aspects of the treaty with him. I would also like to mention that the Ambassador's proposals are not now required from any lack of military liaison with Australia and New Zealand which has already been adequately carried out during the past two years through CINCPAC, and which should continue as circumstances dictate.

Accordingly, I wish to suggest that: (a) No discussion be conducted of any military implementation of this treaty with Australian and New Zealand representatives until the Japanese Peace Treaty, the US-Japan Security Treaty, the Tripartite Treaty, and the US-Philippine Security Treaty have all been ratified, and that thereafter State and Defense representatives consult on an agreed position to take with the Australians and New Zealanders in this particular matter.

(b) Representatives of the Departments of State and Defense coordinate their efforts in connection with the forthcoming hearings before the Senate for the ratification of the three Security Treaties, particularly in light of the record of the Defense position on Article VII.

(c) That the presentation to Congressional committees not include any implication of any military organizational implementation of Article VII or of the treaty.

In view of this position on this matter I do not believe that it is advisable at this time formally to designate representatives of the Department of Defense for consideration of these matters at an early date. However, I would like to be of all possible assistance to State Department officials responsible for this matter and will always be ready to discuss it with them. If there are any immediate questions regarding any part of this letter or if you desire further details, Mr. Kenneth T. Young, Jr. of my office (Extension 53210), who is thoroughly familiar with the background of the Defense position in this regard, will be immediately available for consultation with the representatives you designate.

Sincerely yours,

FRANK C. NASH

[Attachment]

Pacific Council(Foreign Ministers or Deputies)
Meeting at Agreed Times and Places*Committee of the Council*

Washington

(Ambassadors for Australia and New Zealand and High-Level Official of Department of State with Representative of OSD and Service Attachés Australia and New Zealand as Advisors.)

Meeting at stated intervals or when called on.

Military Committee

(U.S. Commander-in-Chief Pacific, and Chairmen Australian and New Zealand Chiefs of Staff Committees or their Deputies.)

Meeting at Agreed Times and Places.

790.5/11-951

Memorandum of Conversation, by the Chargé in Thailand (Turner)

CONFIDENTIAL

BANGKOK, November 9, 1951.

Participants: Mr. G. T. S. A. Wallinger, British Ambassador
Mr. Aaron S. Brown, Counselor of Embassy
Mr. William T. Turner, Chargé d'Affaires

Subject: Thai Inquiry About Southeast Asia Regional Defense Pact

On the occasion of a call on the British Ambassador to present Mr. Brown, Mr. Wallinger said that a member of his staff had been approached recently by Lt. General Harn who sounded him out on the question of a regional or Pacific defense pact along the lines of the NATO in Europe. (Lt. General Harn Songgram is Chief of the Joint Staff Department, Ministry of Defense.) The British Ambassador said that in anticipation of further discussions of this matter with General Harn, he had communicated with the Foreign Office in London and had received guidance as to the nature of the reply which he should make to General Harn, and that he had been advised to consult with his American colleague before so replying. He said that in general his reply would be vague and would take the following line: emphasis would be placed on the United Nations rather than on regional pacts to maintain peace on the continent of Asia; and the United Nations action in Korea was concrete evidence of co-operative efforts by the United Nations to counter aggression.

The British Ambassador said that he was somewhat puzzled that the inquiry about this matter should have come from General Harn rather than from more ordinary sources in the Government; that on the occasion of a recent call on the Foreign Minister in company with Mr. Richard G. Casey, Australian Minister for External Affairs, he had rather expected an inquiry along this line and he and Casey were surprised not to have had anything said to them by the Foreign Minister about a regional pact. He asked me if I could throw any further light on this matter and whether I would agree with the proposed British reply.

At this point I told the British Ambassador that this same matter had come to my attention as the result of a conversation between an officer of the Joint Staff Intelligence Section and Mr. Bushner of our Embassy. This Thai official said that the National Defense Council, at the instance of the Government, had taken up for consideration the advisability of entering into a defense agreement with the United States along the lines of the recently concluded agreements with the Philippines, Australia and New Zealand. I said that Mr. Bushner had answered the Thai official in the sense of an instruction which we happened to have on hand¹ to guide us in this matter, to the effect that military and economic aid now being provided Thailand is indicative of the very real interest of the United States in Thailand, and that the United Nations, which took prompt action on a case of aggression in Korea, is being relied upon by the United States Government to protect the interests of the nations in this part of the world. I informed the British Ambassador that I had later discussed this matter with the Foreign Minister and told him in effect that the United States was not now prepared to consider the conclusion of a defense pact with Thailand or any other continental country.

The British Ambassador said that he was very glad to have this information which confirmed that the attitude of the British and American Governments was much the same on this point and that he would proceed to inform General Harn, through the member of his staff who had been approached by General Harn, of the position of our two Governments.

Mr. Wallinger remarked that the Foreign Office had been keenly interested in General Harn's query.

WILLIAM T. TURNER

¹ Apparently a reference to telegram 1519 to Bangkok, April 17, p. 208.

790.5/11-1551

*Memorandum of Conversation, by the Regional Planning Adviser of
the Bureau of Far Eastern Affairs (Emmerson)*

SECRET

[WASHINGTON,] November 15, 1951.

Subject: Canadian Participation in Pacific Security Arrangements.

Participants: Mr. Peter Campbell, Second Secretary, Canadian Embassy, and
Mr. John K. Emmerson, FE

In introducing the subject of Canada's participation in Pacific security arrangements, Mr. Campbell stated that he wished to impress upon me that his inquiry was being made on a strictly informal basis and not on instructions from Ottawa. We should, therefore, not read into his inquiry any implications that the Canadian Government had decided it wished to adhere to a Pacific security arrangement or would make any formal proposals regarding this question. He would simply like to obtain an indication of our informal reaction to the suggestion that Canada might in some way participate in a Pacific security arrangement.

Mr. Campbell stated that the question had arisen recently in Parliament and that the Government had been queried by Conservative members with respect to Canada's policy toward the U.S.-Australia-New Zealand Tripartite Security Pact. The Government had been asked whether Canada had applied for inclusion in this arrangement and if not, why not? Mr. Pearson had replied in general terms. It was likely that further questions might be asked and it was this prospect which impelled the Embassy to discuss the question informally with us.

I referred to the problems involved in concluding a Pacific pact, including the one of membership. We had thought that for the time being the present arrangements with Japan, the Philippines, Australia, and New Zealand were all that were called for. We would not want to be in a position of pressing other nations to join in these arrangements since we have always felt that any effective security pacts would have to be developed out of genuine interest and desire on the part of the nations who might participate in them. We were open-minded on the subject and we felt that eventually it would be highly desirable to bring Japan into security relationships with other Pacific nations. The President had, of course, stated that the arrangements which we have negotiated were the first steps toward collective security in the Pacific.

Mr. Campbell stated that he understood the very serious problem involved in the membership of a Pacific pact. He wondered specifically what our reaction would be to Canadian adherence to the tripartite agreement between the U.S., Australia, and New Zealand. I said so

far as I knew this particular point had not been raised before. I informed Mr. Campbell that I would like to discuss his inquiry informally with other officials in the Department after which I would be glad to give him the benefit of whatever preliminary reactions we might have.

790.5/11-2151

*Memorandum of Conversation, by the Regional Planning Adviser of
the Bureau of Far Eastern Affairs (Emmerson)*

CONFIDENTIAL

[WASHINGTON,] November 21, 1951.

Subject: Canadian Adherence to Tripartite Security Pact.

Participants: Mr. Peter Campbell, Second Secretary, Canadian
Embassy, and
Mr. Emmerson—FE

Mr. Campbell inquired whether I had obtained any reaction to his former query with respect to Canada's adherence to the Tripartite Security Pact. I said that in accordance with his wishes I had raised this question informally with one or two people in the Department and would give him the benefit of my discussions with them. I said that we are, of course, considering all of the possibilities with respect to a development of future security arrangements in the Pacific but our efforts are naturally now concentrated on the ratification of the treaties which have already been signed. Ambassador Cowen is just taking up his duties as Special Assistant to the Secretary and will be particularly concerned with the problems arising out of the Pacific security arrangements. I said that he would no doubt be considering the possibility which the Canadians had mentioned along with all other possibilities in relation to these pacts. At present, however, there was no firm position in the Department on the point which Mr. Campbell had raised. He was aware, I was sure, of the problems of membership inherent in any Pacific Pact.

Mr. Campbell said that he appreciated the position of the Department and did not expect a definitive answer. He was quite certain that his own government would not put forth such a proposal in the immediate future and in any case he was not sure what the formal attitude of the Canadian Government would be. It was, however, true that Mr. Pearson was beginning to devote more attention to the problems of the Far East and whereas Canadian foreign policy had previously been focused almost exclusively on the Atlantic, there was a growing interest in the problems of the Pacific area. Consequently he knew that his government would be interested in any further thoughts which might be developed in the Department with respect to the evolution of the Pacific security arrangements.

790.5/11-2851 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

TOP SECRET

LONDON, November 28, 1951—6 p. m.

2539. Embtel 2167, Nov 2, rptd Paris 923.¹ Conversation with head SEA Dept FonOff reveals foll:

1. Basic reason for Eden's ² failing discuss with Secretary in Paris extension Pacific defense arrangements to include SEA mainland was overcrowded schedule.³

2. Concerned govt agencies here are now reconsidering problem of def of SEA. It is realized what is needed before problem can be given full high-level political consideration is most competent military advice obtainable. Problem has endless ramifications. For example, is Thailand defensible, and what wld be Indian reaction? Current thinking is that before even mentioning to French, US and UK shld get together for exchange of views. But any talk of negotiating formal def arrangement, such as extension of Pacific Pact, wld be premature at this time.

GIFFORD

¹ Not printed.

² Anthony Eden, British Secretary of State for Foreign Affairs and Deputy Prime Minister since October 26.

³ The Foreign Ministers of the United States, the United Kingdom, and France held discussions on the future status of Germany at Paris on November 21 and 22. Documentation on this conference is scheduled for publication in volume III.

790.5/11-2851 : Telegram

The Acting Secretary of State to the Embassy in London

TOP SECRET

WASHINGTON, December 1, 1951—11:27 a. m.

2758. Embtel 2539 Nov 28. Dept agrees with view further consideration SEA defense given Emb by Brit Govt. "Endless ramifications" have given Dept uneasiness many months and Dept agrees that only high-level political consideration with competent military advice can supply answer. Dept also agrees initial discussions shld be limited US, UK and further agrees that discussions formal defense arrangement such as extension of Pacific Pact premature.¹

WEBB

¹ For additional documentation on the question of tripartite military staff talks on Southeast Asia, see pp. 332 ff.

790.5/12-851

*Memorandum of Conversation, by the Regional Planning Adviser of
the Bureau of Far Eastern Affairs (Emmerson)*

SECRET

[WASHINGTON,] December 10, 1951.¹

Subject: Tripartite Security Pact.

Participants: Richard Casey, Foreign Minister of Australia, Ambassador Spender, Ambassador Cowen, Mr. Shul-law—BNA, Mr. Connors—FE/P, and Mr. Emmerson—FE.

Ambassador Spender opened the conversation by stating that in response to Ambassador Cowen's request he had drawn up a list of personal suggestions of topics which might be taken up through the machinery to be set up under the Tripartite Security Pact. He stressed that these were personal views and that they were not exhaustive in character but rather suggestive of some of the points which might arise for discussion in the Pacific Council.

Ambassador Spender read from his memorandum² and discussed orally the points included therein. He later left a copy of his letter³ with Ambassador Cowen. The points mentioned by Ambassador Spender were the following:

1. Logistical support of Australian and New Zealand forces in war—and contribution from Australian production.
2. Free flow of needed information.
3. The responsibility for planning under Australian-New Zealand sector.
4. The division of responsibility for collecting and collating intelligence data in the Pacific and adjoining territories.
5. Selection and preparation of bases.
6. Interchange of personnel.
7. Security of Australia in global war.
8. Coordination of Pacific planning with global planning.
9. The form of military machinery for cooperation.

Ambassador Cowen stated that he appreciated the suggestions regarding topics to be discussed in the Pacific Council. He was anxious to get such suggestions and would utilize them in his talks on the subject with the Joint Chiefs of Staff. He referred to the personal memorandum⁴ which Ambassador Spender had previously left in the Department and to the suggested chart of organization.⁵ The For-

¹ Drafted December 13. A marginal notation in an unidentified hand reads: "Approved Dec. 17, 1951 by Amb. Myron Cowen."

² Reference uncertain.

³ Dated December 8, not printed; it covered the main points enumerated in this memorandum of conversation. (790.5/12-851)

⁴ Reference uncertain.

⁵ Reference uncertain. Possibly the chart found attached to the letter of November 5 from Mr. Nash to Mr. Perkins, p. 252.

eign Minister inquired regarding our views of this suggested organization and asked whether he was right in assuming that we wished the simplest organization possible. Ambassador Cowen said that was our idea indeed and that the suggested outline was a start. Reference was made to the inquisitive nature of the press with respect to a Pacific Pact and the Foreign Minister said he wished to say nothing which would in any way adversely affect the ratification proceedings for the security treaty in the Senate. Ambassador Cowen said there would be no objection to stating that there had been an informal exchange of views between the Foreign Minister and the Department but that we would wish to avoid giving the impression that we were assuming Senate ratification of the treaty and on this assumption were already working out its implementation previous to ratification.

Ambassador Spender said he hoped our interpretation of "maximum simplicity" did not mean that the Council would be simply a paper organization. Ambassador Cowen assured him that such was not the case, that we were earnest in desiring to make the security arrangement a real thing. We had hoped that we could emphasize the political aspects of the pact in the beginning and proceed toward the military problems gradually. Ambassador Spender agreed with this point of view.

Foreign Minister Casey said that wherever he went he was constantly asked what plans were afoot for extending the security arrangements in the Pacific and that he always replied that the important thing was to proceed with the ratification of the present pacts and that their extension would have to be the subject of future discussion. In response to a question by Ambassador Cowen, Foreign Minister Casey said that his Government had not given a great deal of thought as to just how these arrangements might be extended. He found in his travels in Southeast Asia that each country seemed to be compartmentalized in its economic and military activities and although each was receiving assistance from the United States, there seemed to be little interchange of ideas or persons among these countries. Consequently, some unifying force would be beneficial. On the other hand, it was apparent that the bringing in of some of the Southeast Asian countries would add "weak sisters" who could not contribute to the mutual defense a few ports or airbases.

[Here follows discussion of the Netherlands New Guinea question.]

With respect to the ratification of the treaties, Foreign Minister Casey was informed that we expected the hearings to begin the first week in January and the four treaties to be ratified toward the end of February. The Foreign Minister said that there would probably be a brief session of the Australian Parliament in February at which time the ratification of the treaty might come about. He inquired

specifically whether it would be helpful if Australian ratification preceded action by the United States Senate. Ambassador Cowen said he felt this would be helpful. The Foreign Minister estimated that in this case Australian ratification might take place early in February which would be after Senate hearings had begun but before actual ratification had taken place.

Ambassador Spender returned again to the organization of the Pacific Council; he remarked that while he did not foresee the necessity for a full-time secretariat, he thought records should be kept of meetings. He had in mind a "working group" which might be composed of the counsellors of the Australian and New Zealand Embassies in Washington and a representative of the State Department. This group might refer certain subjects to the Ambassadors who would perhaps meet with Ambassador Cowen. He felt that records should be kept of the meetings of these groups as well as those of the Council itself. He stated that the first week in May was "Coral Sea Week" in Australia and it would be a "tremendous thing" if the first meeting of the Pacific Council could be held in Australia at that time.

Ambassador Cowen assured the Foreign Minister that we did not want to waste any time with respect to the security pact. He said we would be talking this over with the Joint Chiefs of Staff in the immediate future and that we would, of course, expect to keep in constant contact with Ambassador Spender and hoped that there could be a continuing mutual exchange of ideas and information.

Lot M-88: CFM Files

*Draft Position Paper Prepared in the Department of State*¹

SECRET

[WASHINGTON,] December 20, 1951.

A PACIFIC SECURITY PACT

PROBLEM

To interchange general views with the British Government on the problem of extending security arrangements in the Pacific.

U.S. OBJECTIVES

1. To maintain the security of the off-shore defense line: Japan-Ryukyus-Philippines-Australia; to deny Formosa to the Chinese Communist regime; to forestall communist aggression in South and Southeast Asia.

¹ This paper, tabbed as TCT D-5/9a, was prepared by the Steering Group on preparations for talks between the President and Prime Minister Churchill. Mr. Churchill was in the United States January 5-19, 1952; documentation regarding this visit is scheduled for publication in *Foreign Relations, 1952-1954*, volume VI.

2. To consider the desirability of security arrangements, either on a bilateral or multilateral basis, with countries of Asia other than those already aligned with the United States, namely, Japan, Philippines, Australia, and New Zealand.

PROBABLE POSITION OF THE UK

While it appears that the UK would like closer cooperation with the United States in matters and problems of mutual concern in Southeast Asia, the UK probably believes it premature to consider extending the present Pacific defense arrangements.

[Here follows the outline of a potential presentation to be made by the President to the Prime Minister. It is along the lines of the "Discussion" which follows.]

DISCUSSION

The United States believes that the problem of Pacific security arrangements should be one of continuing concern between the governments of the US and the UK. It is particularly important that Japan should eventually be brought into multilateral security arrangements. The problems of agreements with Indonesia and with the mainland states of Southeast Asia deserve most careful consideration. However, particularly since the present treaties (Japanese peace treaty, US-Japan security treaty, US-Philippines security treaty, and US-Australia-New Zealand security treaty) have not been ratified, the United States believes it premature to consider the further extension of Pacific arrangements at this time. The assumption of further commitments in this area must be the subject of the most careful consideration; furthermore, much will necessarily depend upon the desires and ability to contribute to defense of the countries involved. Consequently, the United States does not envisage any further extension of Pacific security arrangements in the near future. We would however wish to keep constantly in touch with the British Government on this important matter.

790.5/1-252

The Secretary of Defense (Lovett) to the Secretary of State

SECRET

WASHINGTON, January 2, 1952.

DEAR MR. SECRETARY: Reference is made to Department of State draft negotiating paper TCT D-5/9a, dated 20 December 1951, entitled "A Pacific Security Pact".¹

The Joint Chiefs of Staff have studied this matter and oppose the statement of United States position as set forth in this paper, which

¹ *Supra.*

by implication indicates that the United States desires to form a Pacific Area Pact similar in purpose and structure to North Atlantic Treaty Organization. Their detailed comments are inclosed for your information. These comments have my concurrence.

Sincerely yours,

ROBERT A. LOVETT

[Enclosure]

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Lovett)*

SECRET

WASHINGTON, December 28, 1951.

Memorandum for the Secretary of Defense

Subject: A Pacific Security Pact (TCT D-5/9a), dated 20 December 1951.

1. In accordance with the request contained in your memorandum dated 22 December 1951,² the Joint Chiefs of Staff have considered the Department of State draft position paper TCT D-5/9a, dated 20 December 1951, intended to be used during the forthcoming Washington talks for the purpose of discussing with Mr. Churchill the possible extension of security arrangements in the Pacific.

2. The Joint Chiefs of Staff, from the military point of view, oppose the statement of U.S. position as set forth in the subject paper, which by implication indicates that the United States desires to form a Pacific Area Pact similar in purpose and structure to the NATO (North Atlantic Treaty Organization). They are strongly of the opinion that current United States capabilities will not admit new arrangements or any extension of present arrangements in the Pacific area which would involve additional military commitments, particularly in view of the great extent and scope of present United States military commitments world-wide. Any extension of United States commitments along the lines suggested in the subject paper should be preceded by action which would bring about a corresponding increase in United States military capabilities to support such extension.

3. Until the nations of the Pacific area, other than Japan, the Philippines, Australia and New Zealand, have demonstrated the will and determination to develop the strength necessary to provide for their own internal security and to contribute at least to some extent to the security of the immediate area of which they are a part, reliance for the defense of their respective areas against overt aggression

² Not found in Department of State files.

should rest upon the broader basis of collective measures to be taken under the aegis of the General Assembly of the United Nations.

[Here follow detailed comments on the subject paper.]

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

Lot M-88

*Position Paper Prepared in the Department of State*¹

SECRET

[WASHINGTON,] January 2, 1952.

A PACIFIC SECURITY PACT

PROBLEM

To interchange general views with the British Government on the problem of extending security arrangements in the Pacific.

U.S. OBJECTIVES

1. To maintain the security of the off-shore defense line: Japan-Ryukyus-Philippines-Australia; to deny Formosa to the Chinese Communist regime; to forestall communist aggression in South and Southeast Asia.

2. To retain under active consideration the problem of Pacific security in its entirety.

PROBABLE POSITION OF THE UK

While it appears that the UK would like closer cooperation with the United States in matters and problems of mutual concern in Southeast Asia, the UK probably believes it premature to consider extending the present Pacific defense arrangements.

[Omitted here is the outline of a potential presentation to be made by the President to the Prime Minister. It is along the lines of the "Discussion" which follows.]

DISCUSSION

The United States believes that the problem of Pacific security arrangements should be one of continuing concern between the governments of the US and the UK. It is particularly important that Japan should eventually be brought into multilateral security arrangements. The problems of agreements with Indonesia and with the mainland states of Southeast Asia deserve eventual consideration.

¹ This paper, tabbed TCT D-5/9b, is attached to the following covering note by Robbins P. Gilman (Secretary of the Steering Group on preparations for talks between the President and Prime Minister Churchill): "This paper has been further revised in accordance with suggestions made by the Joint Chiefs of Staff. It is now approved at the official level."

However, particularly since the present treaties (Japanese peace treaty, US-Japan security treaty, US-Philippines security treaty, and US-Australia-New Zealand security treaty) have not been ratified, the United States believes that until and unless circumstances change no action should be taken to extend the present Pacific arrangements at this time. The assumption of further commitments in this area must be the subject of the most careful consideration; furthermore, much will necessarily depend upon the desires and ability to contribute to defense of the countries involved. Consequently, the United States does not envisage any further extension of Pacific security arrangements in the foreseeable future. We would however wish to keep constantly in touch with the British Government on this important matter.

AUSTRALIA

[For documentation concerning negotiations between the United States and Australia antecedent to the signing of the Security Treaty between Australia, New Zealand, and the United States, see pages 132 ff. For documentation regarding consultations between Australia and the United States concerning a Japanese Peace Treaty, see pages 777 ff. For documentation concerning talks between the two countries with regard to the status of Netherlands New Guinea, see pages 583 ff. Documentation on the Australian attitude toward issues of common concern in the Middle East is scheduled for publication in volume V.]

BURMA

UNITED STATES RELATIONS WITH BURMA¹

790B.00/1-1951

The Chargé in Burma (Day) to the Secretary of State

CONFIDENTIAL
No. 487

RANGOON, January 19, 1951.

Ref: Embtel 467, dated January 17, 1951²

Subject: Forwarding Press Copies of Judgment in Seagrave Case

There is enclosed a copy of the text of the judgment in the Seagrave case³ which was released to and reported in the English language newspapers of Rangoon. The Embassy has not been able to obtain a certified copy as yet. The Attorney is awaiting a certified copy for use in preparing an appeal. The decision of the Special Tribunal was delivered by Justice Ba Swe on the morning of January 17, 1951. The Court found Dr. Seagrave guilty of the second and third charges brought against him under section 4(1) of the High Treason Act. The charges are quoted in enclosure No. 2 to this Despatch.⁴ Dr. Seagrave was sentenced to six years of imprisonment on account of the second charge and to one year of imprisonment under the third charge. The sentence under the third charge runs concurrently with the other. The Tribunal declared Dr. Seagrave not guilty of the first charge.

It should be borne in mind that the sentence is not one of high treason but of aiding a person known to be committing high treason.

Were the sentence for a term shorter than six years, it would not have been possible under Burmese law to appeal.

Dr. Seagrave's attorney, U Kyaw Myint, is preparing an application for release on bail but feels that there is little hope of this being granted.

The appeal against the sentence will go before two or three justices of the High Court of Burma. The justices will be selected by the Min-

¹ For previous documentation, see *Foreign Relations*, 1950, vol. vi, pp. 229 ff.

² Not printed; it contained a brief summary of the material contained in this despatch (790B.00/1-1751).

³ For previous documentation, see *Foreign Relations*, 1950, vol. vi, pp. 253 ff.; see also the editorial note, *infra*.

⁴ Neither this enclosure nor enclosure No. 1 is here printed.

istry of Judicial Affairs from among the six justices of the High Court. This circumstance permits the civil authorities, if they should wish to do so, to select judges whom they think may be favorably disposed toward one side of the case or the other.

U Kyaw Myint thinks that if the sentence is upheld Seagrave will not be required to serve six years in prison in Burma but will be asked or allowed to leave Burma. Dr. Seagrave is aware of this likelihood and is steeling himself for this outcome and beginning to think over where he might go and what he might do in the future.

As of the morning of January 19, Dr. Seagrave's morale and spirits were good. In the Central Jail, to which he was taken directly after his sentence was delivered, he is lodged in a small wooden house raised about six feet off the ground. This prevents prisoners staring at him. When he was in jail before, the staring by other prisoners was one of the causes of the mental anxiety he suffered. The small house has its own bathroom. Dr. Seagrave's sister, Rachel, has provided a kerosene stove. Another prisoner has been assigned to cook for him and Dr. Seagrave is teaching this prisoner how to cook. His secretary, Pansy Po, who has been in Rangoon since she testified on his behalf, will visit him twice a week, bringing a cooked meal. The Superintendent will allow Pansy Po and Dr. Seagrave's sister, Rachel, to visit him twice a week for the time being. The usual limit is once a week. Dr. Seagrave's house is situated on the hospital grounds of the Central Jail and has electricity. The Embassy will supply Dr. Seagrave with reading matter and cigarettes and such other comforts as it can furnish.

The Attorney, U Kyaw Myint, thinks that the decision on the appeal will be delivered in about one month. Judging from previous delays, the Embassy believes that the appeal proceedings may last more than a month. The Embassy has expressed to the Foreign Office the hope that the proceedings would be expedited in view of the previous delays and the great mental strain under which Dr. Seagrave has been living for the past five months. The decision against Dr. Seagrave came as a great surprise to most people. The betting odds among press correspondents in Rangoon were 100 to 1 that he would be acquitted. The only foreign correspondent present was Mr. James Burke of *Time-Life*. He is preparing material which may be used for a cover story on Dr. Seagrave in the near future.

An officer of the Embassy attended all the sessions of the Tribunal, with the exception of short periods of testimony given in the Burmese language. The Embassy is endeavoring to obtain a transcript of the evidence for transmittal to Washington. Part of the evidence is in

Burmese which will have to be translated. A set of clippings is being forwarded with Despatch 494 of January 19, 1951.⁵

While prospects of a reversal of decision seem remote, some hope is offered by the circumstance that if the sentence had been a shorter period an appeal could not have been made. The Embassy concludes from this that the way for an appeal was left open deliberately. U Kyaw Myint does not think there is a likelihood of a pardon by the President.

HENRY B. DAY

⁵ Not printed.

Editorial Note

On January 23, the Department of State issued the following press release concerning the trial of Dr. Gordon S. Seagrave in Burma:

"A number of misapprehensions seem to have arisen in the country over the facts surrounding the trial of Dr. Gordon S. Seagrave on charges of abetting treason against the Government of the Union of Burma. In order to avoid further misunderstanding the Department wishes to make the following statement:

"The Burmese Special Tribunal of three senior judges which tried Dr. Gordon S. Seagrave, an American citizen, on three charges under the High Treason Act (a law devolved from the period of British rule in Burma), on January 17, 1951, found him guilty under two of the charges and acquitted him on the other. He was found guilty of assisting Naw Seng, an insurgent leader, to carry out the arrest of the Sawbwa of North Hsenwi, Special Commissioner for the Shan State, by concealing pertinent information from the Government. For this, he was sentenced to 6 years' imprisonment. He was also found guilty of turning over to Naw Seng certain medical and surgical supplies. He was sentenced to 1 year's imprisonment on this count. Both sentences would be served concurrently. He was acquitted on the charge of receiving Naw Seng in his hospital compound and offering him tea.

"Dr. Seagrave's attorney, U Kyaw Myint, a former judge of the Supreme Court, is filing an appeal to the High Court, and it is understood that the appeal will probably be heard within 1 month. In the meantime, the American Embassy in Rangoon, which has rendered all possible assistance to Dr. Seagrave during the trial, is procuring and forwarding to the Department of State a complete transcript of the testimony in the case.

"The Embassy in Rangoon has been able to help Dr. Seagrave in many ways, including assistance in obtaining the services of an outstanding attorney for his defense, and by arranging to have Dr. Seagrave transferred from jail to a private residence during the trial. A representative of the Embassy visited Dr. Seagrave's hospital at Namkham, near the Chinese border, in order to confer with his sister and to obtain first-hand information about conditions at the hospital. The Embassy also had a representative present throughout the court proceedings and kept the State Department fully informed of all important developments.

"Since the case is still before the Burmese courts, it would be inappropriate for the Department of State to make any comment on the verdict handed down by the Special Tribunal.'" (Department of State *Bulletin*, February 5, 1951, page 224)

790B.00/3-251 : Telegram

The Acting Secretary of State to the Embassy in Burma

SECRET

WASHINGTON, March 2, 1951—6 p. m.

547. Barrington¹ recently told Key² in strictest confidence he had recommended to GOB that if Seagrave verdict upheld free pardon shld be granted without delay and Seagrave be allowed resume work in Burm. This recommendation based on fear polit reactions in US and effect on Burm relations US. While most important that GOB not learn recommendation disclosed it is hoped you may have opportunity discreetly support it.³

¹ James Barrington, Burmese Ambassador to the United States.

² David M. Key, American Ambassador to Burma, who, at this time, was in Washington rather than Rangoon.

³ In telegram 615 from Rangoon, March 9, Mr. Day reported that the High Court on that day had cleared Seagrave of the second charge, found him guilty of the third charge of supplying medicines to Naw Seng and reduced his sentence to one term already served since conviction, thereby granting him immediate release from prison (790B.00/3-951).

790B.00/3-1951

Memorandum of Conversation, by the Ambassador in Burma (Key)

CONFIDENTIAL

[WASHINGTON,] March 19, 1951.

Subject: Matters Affecting Burma

Participants: Mr. Barrington, Burmese Ambassador
Mr. Key, Ambassador to Burma

The following summary of a conversation was supplied to the Department by Ambassador Key:¹

During the course of a conversation which I had with Ambassador Barrington on March 19, the following topics were discussed:

1. *Seagrave Case*

I asked the Ambassador whether he had received any word from his Government on the subject of Dr. Seagrave's possible return to Namkham. He replied in the negative, but expressed hope that permission would be forthcoming in due course. In the meantime he was happy to learn from me that the Prime Minister² had overruled those who were urging that Dr. Seagrave be deported.

¹ The Department of State file copy indicates that the codrafter of this memorandum, along with Mr. Key, was Robert A. Acly, Officer in Charge, Burma Affairs.

² Thakin Nu.

I then broached with him the possibility of effecting an arrangement under which Dr. Seagrave might be permitted to resume his lifework in Namkham on the understanding that a responsible Burmese doctor in whom the Burmese Government had confidence assist Dr. Seagrave. Such an arrangement, I pointed out, should satisfy those elements who still mistrust Dr. Seagrave, in as much as such a doctor would be in a position to observe everything that was transpiring at the hospital, would give Dr. Seagrave a much needed medical assistant and would tend to give the hospital a Burmese tone, which heretofore had been somewhat lacking. From Dr. Seagrave's viewpoint, such an arrangement would be advantageous as it would protect him from false rumors or accusations.

Ambassador Barrington expressed the opinion that some such arrangement should be very effective in helping to solve the vexatious problem of Dr. Seagrave's future in Burma and could assure the continuation of his good work previously done at Namkham.

I asked the Ambassador to think over this suggestion and to let me have his considered opinion when I met him on March 21.³

[Here follows section No. 2 dealing with "Experts for Union Bank of Burma".]

3. *Recent Burmese Voting on UN Resolutions Affecting the Far East*

I asked Ambassador Barrington if he could explain to me in confidence the background of the voting by the Burmese delegate to the UN on the two UN resolutions, i.e., the resolution calling for condemnation of China as the aggressor in Korea⁴ and the resolution declaring the US an aggressor in Formosa.⁴ (In the first instance it will be recalled that Burma voted against condemning China, but merely abstained with respect to the second resolution, although India voted against in each instance.)

Ambassador Barrington stated that Burma's general policy with respect to the Far East was to vote against any resolution condemning any of the important powers as aggressors, as it was felt that any other action would be inconsistent with Burma's "neutral attitude". Pursuant to this policy, Burma had voted against the resolution condemning China as an aggressor. In the case of Formosa, however, the Burmese Government considered the latter to be a part of China, the government of which had been recognized by Burma some time back.

³ In telegram 595 to Rangoon, March 21, the information was transmitted that Barrington was sending this suggestion to his government to try to forestall an irrevocable decision against Seagrave's return to his hospital at Namkham (790B.00/3-2151).

⁴ Documentation is scheduled for publication in volume VII.

Bearing these factors in mind, as well as the fact that Prime Minister Thakin Nu had not long ago publicly declared that Burma could not condone the U.S. actions affecting Formosa, he (Barrington) had, without reference to Rangoon (as there had not been sufficient time in which to obtain instructions) abstained from voting. His action and the reasons underlying it had been fully reported to Rangoon. The absence of any comeback from Rangoon led him to believe that his decision had been correct and had been approved by his Government.

4. *Chinese Invasion Threat*

I asked the Ambassador whether he had received any information from his Government indicative of possible incursions into Burma of Chinese-Communist-trained groups. He replied in the negative but added that his Government was uneasy on this score and had been far from satisfied with the explanations given to Ambassador Myint Thein by the Chinese Communist Foreign Office with respect to the Chinese maps on which the Sino-Burmese border was delineated well within Burmese territory.

I felt that this was an opportune moment to mention to him in broad outline a report which I had seen only that morning indicating that Naw Seng⁵ and his followers, as well as another larger group, would probably soon be moving into Burma for the purpose of creating disturbances and giving support to the Burmese Communists, and that two Chinese Communist divisions had recently been moved to Paoshan. I observed that if this report is accurate we would soon be having a clear indication of the Chinese Communist attitude toward Burma. Ambassador Barrington expressed his deep appreciation for the information which I had given him and asked whether there would be any objection on my part if he passed on this information to his Government. I replied that there was no objection and that he would recall that on several occasions in the past the Ambassador in Rangoon or the State Department had advised his Government of matters of mutual interest of this kind. Mr. Barrington again voiced his appreciation and expressed the hope that both Governments would continue frankly to exchange vital information of this type.

[Here follows section No. 5 dealing with the "Rockefeller Board Report".]

⁵ Naw Seng was a Kachin insurgent military leader.

790B.001/6-2151

The Ambassador in Burma (Key) to the Secretary of State

SECRET

RANGOON, June 21, 1951.

No. 917

Ref: Dept's Airgram A 284, May 10; Embassy's Despatch 687 April 6.¹

Subject: Analysis of the Problem of KMT Military Activity in Burma and its Relation to the Communist Threat

There is transmitted herewith a Memorandum prepared by Second Secretary Edwin W. Martin entitled "The Communist Threat to Burma and the KMT Troops Problem".² After referring to the Embassy's despatch No. 687 of April 6 which deals with the implications of Chinese Communist aid to Burmese Communist insurgents, the Memorandum points out that two comparatively recent developments have intensified the threat to Burma from the Communists. These developments have been 1) the marked increase of Chinese Communist troop strength along the most strategic sector of the Burma border, and 2) the sudden resurgence of KMT military activity in Burma.

With regard to the first development, the conclusion is reached that as a consequence of their military build-up, the Chinese Communists for the first time since they gained control of China are now in a position to launch a substantial striking force into Burmese territory, but that such a move is unlikely unless the Communists feel that general war in the Far East is imminent. This conclusion is based on the belief that the Communists prefer to obtain control of Burma through a "liberation campaign" led by native Communist insurgents. The maintenance of substantial Chinese Communist forces on the Burmese border contributes both psychologically and materially to their carrying out of this scheme.

Meanwhile, the revival of KMT military activity on Burmese soil, which revealed that these forces had been considerably augmented and resupplied during their six months of quiescence, greatly alarmed the Government of Burma and tended to increase the Communist threat to this country. Not only did it enhance the psychological value

¹ In despatch 687 from Rangoon, April 6, the Embassy reviewed the Chinese Communists' plans to grant aid to the Burmese Communist insurgents and analyzed the implications for American policy in Burma (790B.001/4-651). Airgram 284 to Rangoon, May 10, was sent in response to despatch 687, and the Embassy was requested to impress upon the Burmese Government the fact that the United States viewed with alarm the threat imposed by the extension of Chinese Communist aid to the Burmese insurgents. The Embassy, however, was also informed by the Department that it opposed the Burmese plan to bring the KMT troops issue before the United Nations as a means to expose Communist machinations against Burma. (790.001/4-651)

² Not printed.

of the Chinese Communist build-up near the border by giving the Communists, in Burmese eyes at least, a good excuse for moving into Burma, but it also served to divert Burmese attention from the more covert activities of the Communists and to increase suspicion of the United States. While the apparent exodus of the large majority of the KMT troops to Yunnan has for the moment greatly abated Burmese tension over the problem, and to this extent has temporarily eased the Communist threat, the continuing inability of the Burmese to protect their borders coupled with the probability that the Chinese Communists will eventually drive many of the KMT troops back into Burma portends renewed tension over this issue.

For this reason several suggestions are put forward in the Memorandum as to steps which the Department might wish to consider taking in the event of another flare-up of KMT military activity in Burma. It is suggested first that positive action be taken to disassociate the U.S. Government from any Americans who may be operating with Chinese troops on Burmese soil. A second suggestion is that should KMT military activity in Burma again become an acute issue the Chinese Government be urged to make a public disavowal of all troops engaged in such activity. The third suggestion is that in case the Government of Burma once more threatens to bring the problem to the U.N., we should refrain from displaying undue anxiety regarding such a proposal but should take the opportunity to discuss the question with Burma and some of her neighbors, such as India and Indonesia, in terms of possible joint action. While neither Burma nor her neighbors would be likely to accept such a solution, its advocacy would, according to the Memorandum, put us in a much stronger propaganda position than we now enjoy and shift the onus for settling the problem from ourselves, where it now rests in Burmese eyes, to Burma and her neutral Asiatic neighbors.

DAVID McK. KEY

790B.00/6-2851 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

SECRET

RANGOON, June 28, 1951—3 p. m.

966. Deptel 891, June 22.¹ Info which has caused Emb believe Chi Commies committed aid Burm Commie insurgents has come thru

¹ The Embassy in Burma was requested in telegram 891 to Rangoon, June 22 (not printed), to provide information to substantiate its previous assertion that the People's Republic of China had decided to provide aid to Thakin Than Tun, the leader of the White Flag Communists (790B.00/6-2251). The White Flag Communists were the more powerful of two Communist factions in Burma. The other Communist group was led by Thakin Than Soe and was called the Communist Party of Burma.

variety of intelligence channels. Evidences of collaboration between BCP and Chi Commies has shown up repeatedly in info given Emb . . . ; they have been contained in reports and conversations with Emb officers of local Chi from border area and from KMT intelligence agents and army officers in touch with anti-Commie guerrillas in Yunnan; they have been referred to in conversation by Brit and Ind diplomats; some of details such as Chi Commie training of Naw Seng's and BCP rebels even admitted privately by Burm officials; accounts of BCP contracts with Chi Commies have appeared in various reports of other US Govt agencies recd by Emb; much of info has been confirmed by army attachés from own sources. In face such accumulation intelligence from wide variety sources and showing high degree of correlation Emb cld not help but conclude, as indicated in Embdesp 687, Apr 6,² that Chi Commies are committed to aid Burm Commies. Since that desp written further corroboration recd by Emb from still another intelligence source, a report of joint intelligence Comite Far East (Singapore desp 683, April 26).³

Several Rangoon papers June 24 carried article by special correspondent of the *Manchester Guardian* which so well summarizes info obtained by Emb from above-mentioned sources during past seven months as to arouse strong suspicion Brit plants. Excerpts: "When Thakin Than Tun, leader of White Flag Commies, visited Peking in Nov, he secured promise from Mao Tse-tung⁴ that arms and ammo wld be supplied by Chi starting Feb this year.—Conditions attached to aid were that after victory the Burm insurgents shld collaborate with Peking Govt against expansionists and aggressors and that arms shld be used in conformity with directions of Eastern Cominform in Peking,—at least three Burm Commie leaders believed opposed to these strings to Chi aid.—Chi military advisers have been attached to Burm Commie forces since beginning of year in connection with milit aid program and cadres of Burm Commies now receiving milit training from the Chi at Paoshan in Yunnan province. Arms from Chi have apparently been reaching Burm Commies since early Apr along Lashio road.—Milit plan of Burm Commies believed to be to establish reliable line communications thru Shan states to Chi—working along different lines but in contact with Burm Commies is Naw Seng the Kachin rebel who is in Yunnan directing training of force of about 1500 Kachins, Karens and Chi in conjunction with a Chi Commie adviser."

But number and variety of intelligence reports indicating that Chi Commies had agreed assist Burm insurgents by no means sole factor influencing Emb believe it true. Background against which this

² Not printed: see footnote 1, p. 273.

³ Not printed.

⁴ Mao Tse-tung, Chairman of the Central People's Government Council of the People's Republic of China.

info recd also important consideration. Even in absence any confirmation from intelligence sources of collaboration between BCP insurgents and Chi Commies factors such as fol lead to presumption Chi Commies wld aid BCP insurgents if they cld: decision reached by Commie leaders at Peiping WFTU Conf Nov 1949 promote armed struggle in SEA countries, Moscow radio's expressed sympathy for Burm Commie insurgents in their struggle liberate Burm from puppet Thakin Nu Govt; example of Chi Commie assistance to Viet Minh⁵ which also trying "liberate" their country; thinly disguised sympathy local Chi Commie propaganda organs for cause of Commie insurgents; coop local Chi Commie front orgs with above-ground Burm Commie groups, known presence of BCP reps in Commie Chi. Such factors have caused Emb to assume ever since Chi Commie troops arrived at Burm border in spring 1950 that collaboration between Burm insurgents and Chi Commies only question of time and circumstance. Against this background persistent reports that two parties had agreed collaborate appeared normal development and therefore entirely credible.

Despite strong presumption that Chi Commies wld eventually collaborate Burm insurgents (and despite their known collaboration with Naw Seng) Emb treated first intelligence reports that Than Tun had gone to Chi and concluded agreement with reserve (Embdesp 388, Dec 8 and 512, Jan 25)⁶ through indicating reports entirely plausible. Only after such reports corroborated by others from sources mentioned para 1 above, all pointing to same conclusion, did Emb feel justified in treating info as factual by time Emb desp 687, Apr 6 written.

Important cause Emb's reserve re first reports that aid agreement reached was extreme difficulty Chi Commies wld have ineffectively supplying BCP insurgents isolated in Central Burma. As pointed out Embdes 388, Dec 8 development which wld provide best evidence that BCP had been promised aid by Chi Commies wld be BCP attempt move closer to Chi border. But now apparent this is just what they are doing. Six months ago Mandalay-Mongmit-Hsipaw area entirely peaceful and communications excellent. Now War Office reports 1,000 Commie insurgents in area carrying out raids of increasing frequency against rail and river communications as far north as Myitkyina district. FonMin himself has expressed his concern to me over large bands insurgents which now infesting state of Mongmit (Embtel 873, June 2).⁷ Thus there can be no doubt that significant movement of Burm Commie insurgents has taken place this year from Central Burm northeastwards to vicinity of Sino-Burm border. From Chi side . . . reported that Chi Commie agents had in-

⁵ Viet Minh, the military forces of the Democratic Republic of Vietnam.

⁶ Neither printed.

⁷ Not printed.

filtrated Namwan assigned tract, which has common boundary with Mongmit, telling populace it Chi territory and collecting taxes. Even in absence of any info re agreement between Burm and Chi Commies, these developments wld point to existence of collaboration plan.

As to whether Chi Commie supply of BCP has begun, Emb conclusion that it has is based on fol: (1) . . . Burm Commie insurgents have been receiving ammo and arms from Chi since March 1951; (2) same source reports that in past six weeks unidentified planes have dropped supplies into BCP-held territory, (3) a local Chi whose info has proved accurate in past told Emb officer some of Burm insurgents trained and equipped by Chi Commies have infiltrated over border and contacted BCP; (4) Taipei's tel 24 (1676 to Dept) June 6;⁸ and (5) movement of substantial force BCP insurgents to vicinity Chi border giving them ready access to promised aid (this connection, . . . BCP aid to Katha district in March netted them 15 elephants).

Though GOB declared news story cited para 2 untrue, its argument boils down to (1) denial any foreign arms recd by BCP and (2) refusal believe Mao Govt wld do such a thing. Emb has reason believe Burm intelligence has access sufficient evidence collaboration to be aware its existence but GOB refuses admit it as matter policy. Recent Chi Commie military build-up in border (Embdesp 917, June 21) likely cause GOB deny more vehemently any connection BCP with Chi Commies.

KEY

⁸ In telegram 1676 from Taipei, June 6, the Chargé, Karl L. Rankin, reported that the Chinese Nationalist Ministry of National Defense had information which revealed that the Chinese Communists were furnishing supplies and equipment to the Burmese Communists (790B.00/6-651).

790B.00/7-3151

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

TOP SECRET

[WASHINGTON,] July 31, 1951.

Subject: KMT Troops in Burma

Participants: Mr. Christopher Steel, Minister, British Embassy
 Mr. F. S. Tomlinson, Counselor, British Embassy
 FE—Mr. Merchant
 PSA—Mr. Lacy¹

The British Minister and Mr. Tomlinson called on me today at 3 p. m. at their request. Mr. Steel described his Government as deeply disturbed by the attitude of the Burmese Government towards the

¹ William S. B. Lacy, Director, Office of Philippine and Southeast Asian Affairs.

reported presence in Burma of Chinese Nationalist troops. He said that as a consequence of their eagerness to drive Chinese Nationalist troops from Burma, the Burmese Government was dispatching armed contingents to the northern border of the country, thereby leaving important areas in central Burma unprotected (In this connection he referred to certain oil installations which the British Government wished protected by Burmese troops). Mr. Steel went on to say that the Burmese were convinced that the United States is involved in equipping and possibly directing the Chinese Nationalist troops in Burma and that his Government feared that unless every possible measure were taken to get the nationalist troops out of Burma we might well face, in the near future, the unpleasant contingency of Chinese Communists and Burmese troops operating in concert against Chinese Nationalists. [It was inescapably clear that the British Government like the Burmese Government is convinced that the United States Government is involved in equipping the Kuomintang contingents.]²

Mr. Steel, making reference to previous assurances from Departmental officials that American personnel was not involved with the Kuomintang troops, suggested that "bygones be bygones" and that American and British undercover agents "get together" on his matter in Burma to the end that common action to solve this problem be taken.

I assured Mr. Steel and Mr. Tomlinson that, as they had been previously assured by Mr. Lacy, I had no knowledge of the involvement of any American nationals with the Kuomintang troops in question. I told my visitors that we had done everything possible to induce the Chinese Government at Taipei to direct Li Min and his troops to pass over from Burma to Yunnan; that we understood the Taipei Government to have done so; that we supposed the Government at Taipei had virtually no control over these troops; but that we believed most of them had passed over the Burmese frontier into China where they had been joined by defectors from Chinese communist ranks and had successfully engaged Chinese communist contingents in Yunnan. I said that I assumed the British would share our pleasure upon learning that the Kuomintang troops were successful in causing the Communist troops trouble.

There followed some discussion of the position and number of the Kuomintang troops at this moment: Mr. Steel was unable to say whether his Government believed that Li Mi retained bases in Burma or whether there was a significant number of Kuomintang troops left on the Burmese side of the border.

I told Mr. Steel that I would assemble all available information concerning this problem and communicate with them within a few days

² Brackets appear in the source text.

concerning our estimate of the situation. Having assured Mr. Steel that my Government shared his Government's concern that this troublesome problem be solved this discussion was brought to a close.

INR Files¹

Memorandum by the Central Intelligence Agency

SECRET
NIE-36

WASHINGTON, August 1, 1951.

NATIONAL INTELLIGENCE ESTIMATE²

PROSPECTS FOR SURVIVAL OF A NON-COMMUNIST REGIME IN BURMA

THE PROBLEM

To estimate the prospects for survival of a non-Communist regime in Burma, and to estimate Chinese Communist capabilities and intentions with respect to direct or indirect intervention.

CONCLUSIONS

1. The present non-Communist Burmese Government is seriously threatened by internal weaknesses, including dissension over control of the armed forces, and by the continued existence of insurgent groups in the country.

2. The Burma Communist Party is the most dangerous of the insurgent groups. It has already received some aid from the Chinese Communists and will probably receive increased technical and material aid from this source during the next twelve months.

3. The Burma Communist Party, given such increased aid, will probably be able within the next year or two to achieve *de facto* control over a considerable area of northern Burma. In that event an effective Communist-dominated coalition of insurgent groups would become more likely.

4. The Chinese Communists have the capability to overrun Burma. They are more likely to attempt to attain their objectives in Burma by methods short of open intervention. Introduction of "volunteers" in considerable numbers is a continuing possibility.

¹ Files retained by the Bureau of Intelligence and Research, Department of State.

² This National Intelligence Estimate was one of a new series of documents initiated and drafted jointly by the intelligence agencies under the coordinating leadership of the Central Intelligence Agency. Each NIE was reviewed and approved by the Intelligence Advisory Committee which was composed of the Director of Central Intelligence and the Chiefs of Intelligence of the Departments of State, Army, Navy, Air Force, Joint Chiefs of Staff, the Federal Bureau of Investigation, and the Atomic Energy Commission. NIE's were published by the CIA and distributed to the President, members of the National Security Council, and a very limited number of other high officials of the government.

5. If covert aid to the Burmese insurgents by the Chinese Communist regime does not stop, the Burmese Government is not likely to survive over the long run unless it greatly increases its political and military strength. Its ability to do so depends in part on the effective utilization of greatly augmented outside aid.

6. The Burmese Government has been hesitant to accept Western economic and military assistance. There is danger that the government's position will be undermined before the government accepts assistance from the West.

DISCUSSION

Stability of the Burmese Regime

7. The Socialist-oriented Government of Prime Minister Thakin Nu, which assumed office in January 1948 at the time Burma achieved its independence, has been threatened constantly by insurrection. For a time rebel forces, principally Communists and dissatisfied ethnic minorities, imperiled the very existence of the regime. Although rebel capabilities were considerably reduced in 1950 when the government gained control over all principal population centers, rebel forces still occupy considerable territory, including sections of the strategic central valley, and they continue to harass important lines of communication throughout Burma.

8. The government's insecure position is a result not so much of the strength of the insurgent groups as of its own weakness. Early development of a strong non-Communist government is unlikely because of lack of capable administrators, the inexperience of present leaders, and personal political ambitions. Political weakness has been compounded by the financial and military strain of combating internal insurrections and by the failure to regain pre-war levels of production in important basic commodities, particularly rice. In spite of these difficulties, the results of the general elections now underway indicate that the government still enjoys sufficient popular support to insure that few if any changes in its non-Communist orientation are likely to take place by constitutional methods.

9. The chronic internal weakness leaves the door ajar for coups by disgruntled groups or individuals. One example of this is the current struggle for control of the armed forces between the government and the army commander-in-chief, General Ne Win. For some time government leaders have been attempting to undermine Ne Win's dominant personal position within the army. Ne Win may retire completely from the struggle and leave the government in undisputed control. On the other hand, there is a continuing possibility that Ne Win might attempt a military coup, which could lead to protracted violence. Ne Win probably would prefer to carry on Burma's non-Communist

orientation, but he is an opportunist governed by personal ambition. He might even attempt an accommodation with the Communists if he considered it essential to establish or maintain himself in power. In addition to, and quite apart from, the Ne Win problem, there have been recurrent reports of dealings between the Communists and left-wing extremists who previously supported the government, and there is a possibility that an effort to overthrow the government might come from this direction. In any event, internal crises are likely to continue to weaken the stability of the regime in the face of the insurgent and Chinese Communist threats.

10. The Burmese armed forces are small, inadequately trained, and poorly equipped. The ground forces, regular and auxiliary, number approximately 43,000 men, almost all organized in infantry units. The navy is small and consists of coastal and river craft; it has been effective in assisting in the establishment and maintenance of control of the delta area and principal waterways. The small air force is capable of small-scale ground support and tactical reconnaissance. Altogether these forces, most of which are concentrated in the strategic central valley, are superior in capability to the insurgent forces now arrayed against them. The Burmese armed forces cannot, however, stamp out insurgent guerrilla operations. The insurgents are widely dispersed on the fringes of the central valley and a concentration of government forces in sufficient strength to destroy any one major force would leave other areas dangerously exposed. Similarly, the government has not had adequate forces to occupy the border regions and is powerless to interdict communications between insurgents in northern Burma and the Chinese Communists.

11. The "anti-imperialist" conditioning of the present Burmese leaders has resulted in considerable reluctance to accept Western economic or military aid. The Burmese Government hesitantly accepted a British military mission which is providing training for the Burmese armed forces. However, Burma refused to participate in the UK-sponsored Colombo plan.³ The Burmese Government is somewhat less distrustful of the US and signed an ECA agreement in September 1950, which thus far has resulted in grants of approximately \$10,400,000 in aid. The US has also made available to Burma ten ex-Coast Guard cutters for use as river patrol craft. However, the Burmese Government does not presently appear ready to assume the obligations that would enable it to receive further US military assistance.

³ The Colombo Plan originated from a proposal advanced by the Australian Foreign Minister at a Conference of British Commonwealth Foreign Ministers held in Colombo in January 1950. From these meetings there developed plans for extending economic assistance to the countries of Southeast Asia. The proposal was conceived as a defense against the spread of Communism in Asia.

The Insurgent Threat

12. The principal insurgent forces in Burma are the Burma Communist Party with an estimated strength of 5,000, the rival "Communist Party (Burma)" with an estimated strength of from 500 to 1,000, the Karen National Defense Organization with an active strength of approximately 4,000, and remnants, up to 3,000, of the Peoples Volunteer Organization (PVO), an amorphous left-wing group stemming from the anti-Japanese movement. In the past these groups have frequently dissipated their strength by fighting one another. The Burmese Government can probably continue to keep these insurgent groups from imperiling the existence of the regime, if it retains control over the Burmese armed forces and if the insurgents do not receive substantial outside aid.

13. A serious threat, however, lies in the possibility that the Burma Communist Party will succeed in its renewed efforts to form an effective coalition against the government. The Burma Communist Party still retains influence over small disaffected left-wing elements of the old anti-Japanese resistance movement (PVO) and has entered into a truce with the rival "Communist Party (Burma)." In addition, there are fairly reliable reports that a band of 1,500 hill peoples from northern Burma is being organized and trained by the Chinese Communists across the border in Yunnan, and presumably these would cooperate with the Burma Communists. However, the coalition is still too loose for over-all coordinated military operations against the government, and it is doubtful that the various groups will cooperate with the Burma Communists over an extended period of time unless they become convinced that the latter have the power to achieve ultimate victory. The Karens, particularly, have been anti-Communist in the past, and are unlikely to cooperate except for immediate military advantage.

Chinese Communist Aid to the Insurgents

14. The most dangerous internal threat to the Burmese Government comes from the Burma Communists supported by Communist China. The Burma Communists have, reportedly after two unsuccessful attempts, succeeded in obtaining some assistance from the Chinese Communists. Reliable evidence does not indicate that any substantial aid other than training facilities and advisory assistance has so far been provided. The Chinese Communists apparently have sent to Yunnan a highly competent guerrilla leader familiar with the area and have charged him with coordinating and developing Burmese guerrilla activities. In the absence of effective counter-pressure, the Chinese Communists probably will increase their technical and material aid during the next year.

15. We believe that the Burma Communists are still too few in number, too inexperienced and too undisciplined to absorb the amount of military aid necessary to win control of and administer the entire country within the next year. We believe, however, that with the aid they are capable of utilizing and are likely to obtain, the Burma Communists will probably be able within the next year or two to achieve *de facto* control over a considerable area of northern Burma. From this secure area, the Burma Communists in the future would then be able to mount stronger military and psychological attacks against the government. In particular, the possibilities of an effective anti-government coalition of insurgent groups would be enhanced, and the internal stability of the government would be further jeopardized.

Other Chinese Communist Courses of Action

16. Beyond the threat posed by the prospect of an increase in Chinese Communist material and technical aid to the Burma Communist guerrillas, the Burmese Government is otherwise threatened in both the long and short run by the Chinese Communists. Communist control of Burma would be a great strategic advantage to both the Chinese Communists and the USSR. It would drive a wedge between India-Pakistan and Southeast Asia, facilitate Communist penetration into Indochina and the other countries of South and Southeast Asia, and in a psychological sense give impetus to the claim that Communism in Asia is an irresistible force. Furthermore, it would put under Communist Control the potentially richest rice surplus area in Asia, access to which not only could improve the Chinese Communist regime's internal economic position, but could be utilized as a political weapon against other neighboring rice-deficient countries (India, East Pakistan, Ceylon, and Malaya).

17. The Communists are already making use of the Soviet and Chinese Communist diplomatic missions in Burma as bases for propaganda and subversive activities aimed at undermining the government. The Chinese community in Burma is vulnerable to blackmail and other forms of intimidation, and this provides the Chinese Communists with further opportunities for spreading their influence in Burma. However, the inept behavior of the Chinese Communist diplomatic mission and the development of anti-Communist sentiments among the Chinese in Burma have somewhat reduced the effectiveness of Chinese Communist propaganda.

18. The presence of Chinese Nationalist troops in the China-Burma border area and the existence of a disputed and undelineated boundary between Burma and China provide pretexts for diplomatic pressure on the Burmese Government and even for Chinese Communist military excursions into Burmese territory. Because the Burmese Government

would be unable to oppose successfully such military operations, they would weaken its prestige and at the same time facilitate Chinese Communist aid to the Burma Communists. Therefore, we believe that limited military operations in the border areas must be regarded as a continuing danger.

19. The Communists have no immediate prospect of gaining control of Burma except through the intervention of large Chinese Communist forces. Approximately 30,000 Chinese Communist Field Forces are presently deployed within 150 miles of the Burma border. In addition, approximately 280,000 Chinese Communist Field Forces are presently in the five provinces of Southwest China. The movements and disposition of these do not indicate their probable use against Burma in the immediate future, but the necessary redeployment could be accomplished with little advance warning.

20. Despite the present commitments of regular Chinese Communist forces in Southwest China, approximately 50,000 troops could be made available and logistically supported for military operations in Burma. These forces could be deployed across the Burma border at several points simultaneously, and, although the terrain is difficult, it would not seriously impede the movement of lightly equipped Chinese Communist forces, particularly if undertaken during the October-to-May dry season. In the absence of direct Western military intervention, the above forces, in conjunction with the Burma Communists, could probably establish effective control of all of northern Burma in two to three weeks, and could gain control of the strategic central valley in a few months.

21. In spite of the relative ease with which Burma could be overrun, we believe that an open invasion is improbable in the near future even if the Chinese Communists are able to disengage in Korea. The Chinese Communist and Soviet leaders probably regard the present internal situation in Burma as favorable to an eventual Communist victory without resort to open invasion with its attendant risks, especially of Indian and UN intervention.

22. There is, however, a continuing possibility that Chinese Communist "volunteers" in considerable numbers might be introduced to assist the Burma Communist guerrillas. The likelihood of such action would be increased if the efforts of the Burma Communists were to encounter serious obstacles, if their forces were threatened with destruction, or if the Chinese Communist and Soviet leaders for any reason desired to hasten Communist control of Burma and calculated that it could be done with a minimum risk of Western retaliation. The Communist leaders probably do not regard Indian or UN intervention as likely in any event short of open invasion.

Prospects for Survival of the Present Burmese Regime

23. There is little prospect that the Burmese regime can survive over the long run unless it can greatly increase its political and military strength. The attainment of this strength will depend upon the consolidation of the regime's political support, the improvement of government administration, and the expansion and revitalization of the armed forces. If covert aid to the Burmese insurgents by the Chinese Communist regime does not stop, it is unlikely that the regime can develop such strength without greatly augmented outside aid. In part, therefore, the survival of the Burmese regime depends on its acceptance and effective use of such aid.

24. There is little doubt that if Burma were openly invaded by Chinese Communist forces, the Burmese Government would make a strong appeal for armed UN intervention. We believe the Burmese Government likewise would seek armed UN intervention if the Chinese Communists should introduce "volunteers" in substantial numbers, or if they should apply such strong military or diplomatic pressure as directly to imperil the existence of the regime.

25. On the other hand, if the Burma Communist forces should gain extensive military successes in northern Burma, we doubt that the Burmese Government would initially seek extensive outside aid. In such a circumstance, considerable sentiment for a settlement with the Burma Communists would be generated among politically-conscious elements within the government-controlled area. We believe that the dominant elements within the government probably would not succumb to such pressure. Rather than arrive at an accommodation with the Communists, the Burmese Government would, we believe, fight with its own resources as long as possible before seeking substantial technical and material outside assistance as an alternative to imminent disaster. Proffered aid might be accepted in considerable quantities sometime before the Burmese Government's position became desperate, provided the conditions and nature of the aid were not such as either to offend Burmese national sensibilities or to afford an open provocation to the Chinese Communists. Initially the capacity of the Burmese Government to absorb and utilize aid would be limited, and time would be required to develop this capacity.

26. The greatest immediate danger to the Burmese regime lies in the possibility that, by propaganda and subversion and through an undetected improvement in Communist guerrilla capabilities, the position of the Burmese Government will be undermined without the leaders acknowledging the threat and taking effective countermeasures. In such a circumstance aid might be sought or accepted too late to be effective.

790B.00/S-851

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

TOP SECRET

[WASHINGTON,] August 8, 1951.

Subject: Burma

Participants: Mr. Tomlinson, Counselor—British Embassy
FE—Mr. Merchant

Mr. Tomlinson called on me this afternoon at his request. He said that he had reported to the Foreign Office his and Minister Steel's conversation with Mr. Lacy and me last week regarding the KMT troops on the Burmese-Yunnan border and that in his telegram he had reported my statement that there were no Americans with the KMT troops in question. He went on to say that he had now received a "weighty" telegram from the Foreign Office, from which he had abstracted certain statements regarding their information on this operation. Mr. Tomlinson added that London believed the time had come to lay our cards frankly on the table with each other, since London is disturbed by the "near hysterical" frame of mind of the Burmese Government on this matter and fear that the Burmese will take it to the UN with resultant difficulty and embarrassment for all concerned.

I took as long a time as I could in reading the document and then remarked that it seemed to contain an extraordinary amount of circumstantial detail. I apologized for not having yet been able to review all of our information on this subject as I had promised, but said that I would do so promptly and would plan to talk to Mr. Tomlinson further before the end of the week.

Immediately after Mr. Tomlinson's departure I talked to Mr. Krentz,¹ giving him the paper which Tomlinson had left with me.² Mr. Krentz undertook to inform Mr. Matthews³ of this development and to arrange for an appropriate meeting among ourselves at the earliest possible moment.

¹ Kenneth C. Krentz, member of the Policy Planning Staff.

² Not printed.

³ H. Freeman Matthews, Deputy Under Secretary of State.

790B.00/S-1051

*Memorandum of Conversation, by the Deputy Assistant Secretary of
State for Far Eastern Affairs (Merchant)*

TOP SECRET

[WASHINGTON,] August 10, 1951.

Subject: KMT Troops in Burma

Participants: Mr. Tomlinson, Counselor—British Embassy
FE—Mr. Merchant

Mr. Tomlinson called this afternoon at my request in connection with the reported presence of KMT troops in Burma. I told him that since our last conversation on the subject I had checked thoroughly within the Department and was unable to find any reports confirming the information contained in the memorandum on this subject which he had left with me on August 8.¹ I told him we had numerous reports relating to the presence of General Lee Mi's ² troops in the neighborhood of the Burma border of Yunnan and that we had also received rumors that American arms were being smuggled to them from Thailand through private channels. I went on to say that we were just as disturbed as the British over the presence of these troops on or across the Burmese border and, as he knew, over a period of weeks we had been urging the Burmese Government to remain calm while at the same time we were making strong representations to the National Government on Formosa with a view to instructions being issued to Lee Mi by Taipei to stay in Yunnan and remain clear of the Burmese border. I said that we had just sent, or were in the process of getting out, a further instruction to our Chargé in Taipei on this subject instructing him to make further representations to the Chinese Government. I asked him if they had any suggestions as to what more could be done. Mr. Tomlinson had no further suggestions to offer and seemed appreciative of the information that we were pressing Taipei in the matter.

Mr. Tomlinson then said that Minister Steel had had an opportunity recently to speak to General Smith ³ on this subject and that General Smith had been very firm in his assurance that there was no official connection whatsoever with Lee Mi. General Smith said that any Americans who might be connected with this operation were free lance and he suspected might be connected with General Chennault.⁴

As he left, Mr. Tomlinson said that they had had a further telegram from London which indicated that the reference in paragraph 4 of his memorandum to shipments coming into Bangkok on a particular

¹ Not printed.

² General Li Mi, the commander of the Chinese Nationalist troops in northern Burma.

³ Gen. Walter Bedell Smith, Director, Central Intelligence Agency.

⁴ Maj. Gen. Claire L. Chennault, Chairman of the Board, Civil Air Transport.

ship was probably in error and that this particular item of information should not be accepted as fact.

The sole copy of the British memorandum of August 8 is attached to S/P's copy of this memorandum.

690B.9321/8-1551 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

TOP SECRET

RANGOON, August 15, 1951—3 p. m.

189. For Rusk.¹ Recent reports from . . . Rangoon indicate that KMT troops which penetrated into Yunnan from Kengtung and Wa states early June have now suffered severe reverses at hands of Chinese Commies and are retreating in disorder into Burmese territory. Moreover, these troops, whose morale and discipline have seriously deteriorated as result defeats, are now engaged in pillaging Burmese villages, which arousing increasing resentment among population of border areas.

Substantially same reports also received from other local sources. The Sawbwa of Kengtung confirms KMT defeat Yunnan and claims much of their heavy arms and radio equipment lost to Commies. He greatly agitated over extremely serious situation developing in his state as a result present behavior KMT remnants who, though previously fairly well disciplined and willing make some payment for supplies, now becoming very unruly and indulging outright looting. Other Burmese sources report KMT troops also selling arms to insurgents.

All above information, with exception details as to arms and radio equipment losses, has been confirmed by War Office to our Army Attaché. Moreover, serious extent of threat to Army security arising KMT activities eastern Shan states indicated by recent dispatch of Burmese troops to Salween with object containing KMT in areas east of river. But Defense Minister² warned Army Attaché that troops available were insufficient in strength to prevent KMT crossing Salween if they made determined effort.

In view these developments it quite possible GOB will soon raise again problem of KMT military activity in Burma. This connection, Department may wish give consideration suggestions contained in despatch 917, June 21, as situation envisaged that despatch has now arisen. Embassy fears that KMT operations against Commies in Yunnan would not only be frustrated by superior military forces available to Commies in western Yunnan but would result in an aggravation of Commie threat to Burma when the defeated KMT troops were forced to flee back over the border have now been realized. On basis

¹ Dean Rusk, Assistant Secretary of State for Far Eastern Affairs.

² Burma's Minister of Defense was U Win.

information available here, there is nothing to show for KMT expeditions to Yunnan but heavy casualties and loss of equipment to Commies.

Meanwhile, this adventure has cost us heavily in terms of Burmese good will and trust. Participation by Americans in these KMT operations well known to GOB and constitutes serious impediment to our relations with them, a fact which has become only too apparent to all of us here. Denial of official US connection with these operations meaningless to GOB in face of reports they constantly receiving from their officials in border areas that KMT troops are accompanied by Americans and receiving steady supply American equipment, some of which dropped from American planes, and of reports from their Bangkok Embassy of American support activities going on in Siam, which is an open secret there. Thus American participation in KMT operations, which have brought chaos to eastern Shan states and have been conducted in flagrant disregard Burmese sovereignty, cannot but make a mockery in Burmese eyes of our officially expressed desire to aid in the restoration of internal stability and to strengthen Burmese independence. This situation is prejudicing everything which we are striving to accomplish here and threatens all our future prospects. It also adversely affects Burmese-Thai relations.

Whatever the original justification may have been for these operations, therefore, it now seems obvious, as far as can be determined here, that they have failed to achieve useful results commensurate with the harm they have done to our interests in Burma. For this reason I feel strongly that the time has come to call a halt to any further American participation in these operations and recommend that the Department endeavor by all means at its disposal to bring this about.

KEY

690B.9321/S-1551 : Telegram

The Secretary of State to the Embassy in Burma

TOP SECRET

WASHINGTON, August 22, 1951—11 a. m.

182. For Key from Rusk. Reurtel 189, Aug 15, Dept has made exhaustive investigation rumors of Amer connection with support and operations Li Mi force on Burma-Yunnan border. On basis these investigations Dept authorizes you categorically to deny to GOB that there is or cld be in future any official or unofficial US Govt connection whatsoever with this force. Moreover effective steps have been taken to eliminate and in future prevent any possible activity by private Amer cits in gunrunning or otherwise in support these guerrillas.

You shld impress on GOB that US fully shares its concern over dangers inherent in situation caused by Li Mi's presence in or near Burma. We do not disguise fact we wish well any and all anti-commie

forces within China but, apart from the reported threat posed by Li Mi to the domestic security of Burma, we are as anxious as GOB to eliminate a situation which might afford Chi Commies a pretext to invade Burmese soil. As GOB knows we have for months exerted our influence with Chi Natl Govt to ensure latter orders Li Mi scrupulously to respect Burmese frontier and confine his operations to Yunnan. Finally you shld frankly ask GOB if it has any suggestions (which you feel sure your govt wld sympathetically consider) as to any further actions by US which might assist GOB in its efforts to eliminate this extremely troublesome situation. Needless to say you shld continue endeavor dissuade GOB from reference this matter to UN.

Timing and decision whether or not to volunteer foregoing assurances to GOB or await its raising question with you left to your discretion but you shld keep Dept currently informed. You are further authorized in your discretion disclose contents this msg to your Brit colleague.

Dept is similarly informing Brit Emb here. [Rusk.]

ACHESON

790B.00/S-2951 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

TOP SECRET

PRIORITY

RANGOON, August 29, 1951—5 p. m.

235. I called on PriMin at his request morning Aug 29 who gave me a secret War Off report on KMT troop dispositions in Burma, a summary their recent activities and an interrogation report of Major Gen Law Chein-po, alleged commander of first column of KMT guerrillas who was arrested at Lashio and is now detained headquarters [garble] sub-district Maymyo. Foregoing documents reveal that approx 7,300 KMT troops are now in Wa states and 4,400 in Kengtung state, that these groups suffered severe reverses in Yunnan at hands Chi Commies during period May-July 1951 and that from April 1, 1951 they recd supplies of Amer arms ammo and rations. (Copies documents being air pouched.)¹ *Comment*: War Off reports is in line with previous info reported to Dept.

PriMin revealed he had been requested by War Off to make immed appeal to UN to take cognizance of violation of Burmese sovereignty by KMT troops. PriMin stated he was reluctant to accede but he had no alternative since twice previously GOB had unsuccessfully sought a solution outside of UN and since army high command had indicated that unless this step were taken army's loyalty to GOB cld not be guaranteed, e.g. already BWOP² and Commies who had infiltrated

¹ Not printed.

² Presumably this is a reference to the Burma Workers' and Peasants' Party (BWPP).

army here taking line that Thakin Nu govt by procrastination in dealing with KMT sit was secretly aligning Burma against Chi Commie Govt and this wld inevitably lead to war. Stating that while he personally sympathized with our efforts to fight Chin Commies all along line, PriMin said it was of course politically impossible for him to parallel our actions and in view of the uncertain allegiance of the army whose attitude toward the govt cld "change in a twinkling of an eye" he felt compelled this time to appeal to the UN. However, he did not wish take this drastic step without giving us advance notice and wld accordingly defer action until Thurs, Sept. 6.³

After expressing appreciation for info and advance notice given me, I conveyed to him substance top secret Deptel 182, Aug 22, emphasizing that US Govt fully shared GOB concern re dangers inherent in present KMT sit and that effective steps had been taken to eliminate and prevent any possible activity by private Amer citizens in supporting guerrillas. I stressed our continued desire to assist in every possible way, and after expressing earnest hope that GOB wld on further reflection desist from appeal to UN, inquired whether PriMin had any concrete suggestions as to how we might be of help.

PriMin replied that unfortunately KMT sit had become so urgent that point had been reached where in GOB opinion it wld be useless again to attempt to tackle it along previous unsuccessful lines. He saw no alternative therefore except appeal to UN. In closing he re-emphasized that appeal to UN was dictated by internal polit considerations revolving primarily around integrity of army and must not be considered as denoting any change in his govt's fundamental anti-Commie orientation, which he insisted wld remain unchanged as long as he was in power.

Since PriMin requested our conversation be kept in strictest confidence I have not reported this development to my Brit colleague.

Comment: It apparent PriMin feels life his govt at stake and it probable that not only army but majority Socialist Party leaders are demanding he appeal UN. We believe, and MilAtt concurs, that his fears regarding undependability army justified in view such factors as uncertainty personality and position Ne Win, deteriorating morale, tensions created by struggle for control of army by various polit factions, mounting friction between Burma and hill units, and covert contacts between high ranking army offs and Commie insurgents. We feel therefore that PriMin has not exaggerated precariousness his position shld KMT sit be allowed to drift.

Pass Taipei, London; rptd info priority Taipei 3, London 14.

KEY

³ In telegram 245 from Rangoon, August 31, Ambassador Key conveyed a report that the Burmese Cabinet on the following day, September 1, would formalize the Prime Minister's decision to appeal to the United Nations (790B.008-3151).

790B.00/8-3151 : Telegram

The Acting Secretary of State to the Embassy in Burma

TOP SECRET

WASHINGTON, August 31, 1951—8 p. m.

213. Re urtels 235 Aug 29 and 245 Aug 31.¹ Dept, after careful consideration and in light previous efforts made by us with Taipei to secure removal KMT troops from Burma, and bearing in mind Deptel 182 Aug 22, has decided to make no further efforts to restrain GOB from taking matter UN.

You shld be guided accordingly in your future conversations with FonMin and others.

WEBB

¹ See footnote 3, p. 291.

790B.00/9-451 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

TOP SECRET

RANGOON, September 4, 1951—10 a. m.

252. Embtel 245,¹ and Deptel 213, Aug 31. PriMin sent for me Sept 3 to advise that Cabinet had decided defer reference KMT problem UN until after termination San Francisco Conference² in order forestall any possible attempt USSR del make political capital this development. He said FinMin wld notify me due course before action taken.

PriMin stated GOB appeal would call on UN to induce Taipei Govt to instruct its troops leave Burma and would contain reference to our good offices and sincere though fruitless past efforts to assist in arriving at a satisfactory solution.

PriMin deprecated "double game" played by Thai in permitting arms and supplies to be smuggled to KMT in total disregard of embarrassment thereby caused GOB and despite assurances repeatedly given that arms traffic would be stopped.

In view of foregoing and the way things seem to be shaping up we feel that Dept's decision (Deptel 213) very sound. We encouraged by this further evidence that PriMin and Cabinet sincerely desirous avoid causing US embarrassment or playing into hands of Commie bloc.

KEY

¹ See footnote 3, p. 291.

² The San Francisco Conference, September 4-8, was held to sign a multilateral peace treaty with Japan ; for documentation, see pp. 1326 ff.

790B.00/9-551

The Ambassador in Burma (Key) to the Secretary of State

CONFIDENTIAL

RANGOON, September 5, 1951.

No. 212

Subject: Desire of Dr. Seagrave to return to his hospital at Namkham.

There are enclosed, for the Department's information, memoranda of informal conversations which I have had with the Prime Minister, the Home Minister and the Foreign Minister¹ regarding Dr. Seagrave's desire to return to his hospital at Namkham and resume his life work there.²

Some weeks ago Dr. Seagrave made a formal application for permission to return to Namkham. This application was rejected on August 9 at which time he was informed that "The Union Government regrets that it is unable to permit Dr. Gordon S. Seagrave to return to Namkham, Northern Shan States at present."

Subsequently on August 19 word was received that Dr. Grace Seagrave³ who had been left in charge of the hospital following the detention of Dr. Seagrave over a year ago died on August 17. This tragic development meant that there was no physician in charge of the hospital.

The Embassy was able to arrange for Dr. Seagrave, Reverend Gustaf A. Sword, Secretary of the American Baptist Mission, and Vice Consul Ballard R. Donnel, as well as Miss Rachel Seagrave, sister of Dr. Seagrave, to proceed to Namkham on August 22. A full report concerning their visit is attached.⁴ It will be noted that efforts are being made to have Dr. Albert Ai Lun, heretofore Civil Assistant Surgeon at Lashio, assigned to the hospital in order to assume temporary charge there. It is hoped that the necessary arrangements can be effected in the near future.

As a result of these developments, the return of Dr. Seagrave to Namkham has assumed a new urgency. For this reason, I felt it advisable informally to approach certain key officials of the Burmese Government with a view to seeing whether it might be possible to modify the decision of August 9 above mentioned. The enclosed memoranda of conversations set forth the points covered in my talks. It will be noted that the present prospects of obtaining permission for Dr. Seagrave to return to his hospital are favorable and it is hoped therefore that in the not distant future Dr. Seagrave will have resumed charge of the hospital.

¹ Sao Hkun Hkio.

² None of these memoranda is printed.

³ Dr. Gordon Seagrave's wife.

⁴ Not printed.

The Embassy will continue to keep the Department informed on future developments.

DAVID MCK. KEY

490B.1182/9-1351

Memorandum by Mr. William M. Gibson, Office of Philippine and Southeast Asian Affairs, to the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

SECRET

[WASHINGTON,] September 13, 1951.

Subject: Supplying Arms and War Materials to Burma

With reference to the memorandum of your conversation with the Burmese Ambassador on this subject, the following comments and suggestions are offered.¹

It has been our policy to recognize the primary responsibility of the British to supply arms, ammunition and war materials to Burma, and we have coordinated our actions in this field with the British. This policy was apparently recognized by our representative at the Tripartite Military Conference in Singapore.² The British have treaty arrangements with Burma under which they agreed to furnish materials of this kind, and maintain a military mission in Burma, which is able to screen and evaluate the requests received.

The British believe that the Burmese have requested materials in excess of their real needs and that the surplus quantities would be improperly used or find their way into the hands of insurgent groups. They have therefore been supplying less than the quantities asked for, and the Burmese are becoming increasingly dissatisfied with the arrangement. It appears that the British are using their monopoly as a lever to extract information from the Burmese.

It is the opinion of PSA that with the present demoralized, corrupt and inefficient state of the Burmese Army, additional supplies of arms and war materials would not contribute very much to its effectiveness and that a part would either be sold to the highest bidder or be used for the strengthening of the Socialists' "Peace Guerrillas" or other private armies. The present conflict between the Socialist leaders and Lt. Gen. Ne Win, the Commander-in-Chief, gives an added incentive to both sides to buildup unnecessary stocks of arms that may eventually be used in an internal struggle for political power.

¹ On the previous day, September 12, Mr. Merchant, Mr. Aely, Officer in Charge of Burma Affairs, and Ambassador Barrington discussed the possibility of Burma's procuring arms and war materials in the United States. Mr. Merchant informed the Ambassador that if the U.S. Government supplied such items, an agreement would have to be signed under the terms of the Mutual Defense Assistance Act. Arms obtained from commercial sources, however, did not require an accord. (790B.5-MAP/9-1251)

² For extracts from the Conference Report on the Tripartite Talks on South-east Asia held at Phoenix Park, Singapore, May 15-18, see p. 64.

It appears to be generally agreed that additional arms would not materially increase the will or ability of the Burmese Government to suppress the Communist insurgents or resist aggression from Communist China. The Burmese Government is not yet prepared to depart sufficiently from its policy of neutrality in the "Cold War" to become an active ally against Soviet imperialism.

In view of these circumstances, it is recommended that the Burmese Ambassador be informed that because of the extraordinary demands being made upon our resources by our own defense effort and our obligation to supply defense materials to our allies under mutual defense agreements, we are unable to undertake additional commitments at this time. We would not therefore be able to support Burmese requests for important quantities of arms, ammunition or other war materials.

To permit consultation with other interested parts of the Department and other agencies, it is recommended that the reply to the Burmese Ambassador be postponed for a few days.³

³ Mr. Merchant made the following manuscript notation to this document: "I think it important to give the Amb a sympathetic response—what, if anything we can supply must await a knowledge of their desires. They will surely be at the bottom of this list & certainly we don't want to assume all the responsibilities which are properly the UK's & India's."

493.90B234/9-2151 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

SECRET

RANGOON, September 21, 1951—4 p. m.

300. Substance Deptel 271, Sept 19 orally conveyed to FonMin Sept 21.¹ After confirming that he personally was responsible for postponement Burmese appeal to UN (see Embtel 284, Sept 15)² on grounds that such step cld cause deep embarrassment internationally, he expressed appreciation for efforts which Dept making to prevent smuggling of arms and equip.

He also expressed appreciation for Dept's offer to give consideration to any further steps which GOB suggests might be taken and stated that he wld discuss this with Cabinet officials over weekend and wld get in touch with me on 24th.

KEY

¹ The text of telegram 271 to Rangoon, September 19, read as follows:.

"You may assure FonMin that Dept will make every effort to prevent smuggling arms and equipment from areas under Amer control and will withdraw passport facilities from any Amers Dept may find to be engaged in such activities.

"You may inform FonMin that instrs being sent Emb Bangkok investigate fully alleged participation US cits arms smuggling and report to Dept.

"Dept will give sympathetic consideration to any suggestions GOB may make as to further steps that might be taken." (492.90B234/9-1951)

² Not printed.

493.9283/9-2151 : Telegram

The Acting Secretary of State to the Embassy in Thailand

SECRET

WASHINGTON, September 21, 1951—4 p. m.

683. Dept approached by Brit Emb with suggestion US and UK Embs Bangkok make joint approach Thai Govt expressing concern re reports that KMT troops in Shan State area of Burma being supplied through Thailand with Amer arms; stating it appears Burma Govt preparing formal protest to Secy Gen UN requesting UN assistance in stopping such flow of arms. Dept concurred with Brit suggestion and instructs you in conjunction with Brit colleague make such approach requesting Thai Govt coop in preventing any possible flow of arms through Thailand to KMT troops in Shan States. Dept believes that obvious effort made by Thai Govt to investigate and prevent any such smuggling wld forestall possible embarrassment to Thai in UN.

Rptd info : Amembassy Rangoon 282 ; USUN 150.

WEBB

493.90B234/9-2451 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

SECRET PRIORITY

RANGOON, September 24, 1951—6 p. m.

312. Ref Embtel 300, September 21. Fol conf over weekend with PriMin who expressed gratitude our offer, FonMin today advanced fol GOB suggestions:

(1) US good offices be used persuade Taipei auths instruct Gen Li Mi and his staff return Taiwan and remain there.

(2) Use our good offices induce Taipei once again issue orders KMT leave Burma or surrender to GOB for internment. Original GOB internment offer still open.

(3) Make appeal jointly with British, if possible, to Thailand to take effective steps stop arms smuggling. If Thai Govt agrees, it wld be helpful if nature of action taken cld be specified.

(4) If as GOB assumes planes making arms drops to KMT troops in Burma are using airstrips somewhere in Thailand for refueling, use our good offices jointly with Brit, if possible, to persuade Thailand to put end this practice.

FonMin plans discuss suggestions (3) and (4) with Thai Chargé and also with Brit Amb upon latter's return from Singapore later this week.

Reverting to (1) above we suggest that if Mi and any of his associates are presently in Thailand as recently reported, perhaps Thai auths cld be urged to prevent their return to Burma or better still compel them return Taiwan.

In view Burmese Army's deep resentment over difficulties created by KMT which is fully shared by newly appointed Burmese Amb to Peiping¹ who only recently made mischievous statements this subj to press Hong Kong, possibility can not be excluded that he and Ne Win may attempt some covert arrangement with Chi Commies whereunder latter wld be given free hand deal with KMT troops in Burma regardless of dangerous consequences to Burma which this wld entail. We earnestly hope therefore that sympathetic consideration will be given the Burmese suggestions.

GOB has agreed defer any action with reference UN appeal while awaiting our reply and if latter is favorable will await outcome of our efforts.

KEY

¹ The newly appointed Burmese Ambassador to the People's Republic of China was U Hla Maung, who had been Burma's Ambassador to Thailand.

493.90B234/9-2851 : Telegram

The Acting Secretary of State to the Embassy in Burma

SECRET PRIORITY WASHINGTON, September 28, 1951—1 p. m.

299. Embtel 312 Sep 24. Dept will take fol action in line with suggestions made by FonMin :

1. Instruct Emb Taipei approach FonOff and urge it order Li Mi and staff return Taiwan and remain there.
2. Instruct Emb Taipei again request Chi Govt order troops leave Burm or submit internment.
3. Await result joint appeal already being made to Thai Govt by UK-US Ambs and report outcome to Emb Rangoon for info FonOff. If appeal is found not to have covered matter adequately Dept will consider further approach.

You may in your discretion inform FonMin proposed action.¹

Rptd info AmEmbassy Bangkok—738 AmEmbassy New Delhi—709 USUN—158.

WEBB

¹ Telegram 344, October 4, from Rangoon informed the Department that the substance of the above telegram had been conveyed to the Prime Minister and to the Permanent Secretary of the Foreign Ministry who expressed their appreciation (493.90B234/10-451).

790B.00/9-2851 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

SECRET PRIORITY

BANGKOK, September 28, 1951—5 p. m.

765. Eyes only Lacy. I have discussed purport of Deptel 683, September 21, with British Ambassador¹ and we have agreed on joint approach Foreign Ministry early next week unless, in light of following, Department instructs otherwise.

British Ambassador stated he received similar instructions about twenty-first; that he had taken occasion to mention matter to Prime Minister while playing golf; that Prime Minister² had informed him that "matter really up to Americans as everything was being done in conjunction Americans" (his words, as near as I can remember). British Ambassador then said that he personally was somewhat embarrassed at having to participate in such a disingenuous approach; not so much because of the British position but because it would place me in an absurd position and furthermore might lead to real complications if the Thais took the approach seriously. He said that it was probably unnecessary to mention that he had sufficient information to prevent any illusions about the real source of supply of KMT troops in Burma; he mentioned flights of four-motored planes; crashing of helicopters; American Major Stewart³ proceeding on same plane with General Phao⁴ to north; huge profits made by Phao and probably Prime Minister in opium in return trip of planes from north; said that Burmese and Indians were also fully informed of real circumstances.

He intimated but did not say that his instructions permitted him to withhold approach if I demurred.

I listened carefully to above, but made no comment except to effect that all circumstances must have been considered in Washington before instructions were issued. I did ask British Ambassador why, in view of what he had told me, were British willing to go along with approach and in fact taking initiative. He said reason was that British Foreign Office was anxious do everything possible head off Burmese action in UN.

TURNER

¹ The British Ambassador in Thailand was Geoffrey Arnold Wallinger.

² The Prime Minister of Thailand was Field Marshal Pibul Songgram.

³ In telegram 836 from Rangoon, May 19, the Embassy reported that a Major Stewart, supposedly a member of the U.S. Army, was with the KMT troops in northern Burma (690B.93/5-1951). The Department replied in telegram 785 to Rangoon, May 25, that there was no Major Stewart in Southeast Asia at that time. The Department believed that Stewart was a private American citizen employed by a foreign aviation company. (690B.93/5-2551)

⁴ General Phao was the Deputy Director of the Thai Police.

493.9283/10-151 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

SECRET

BANGKOK, October 1, 1951—5 p. m.

780. ReDeptel 683, September 21, rptd Rangoon 282, USUN 150. In conformity reftel called on FonMin¹ today with Brit Amb and left *aide-mémoire* as fol :

“US Govt is concerned about reports to effect arms of Amer origin are being supplied through and from Thai territory to troops of Chi Nat Govt in Shan states of Burma. It is learned that GOB may now be preparing bring matter before UN with view to bringing about an end of this traffic.

“US Govt requests Govt of Thailand to investigate situation thus reported, and to cooperate in preventing any possible flow of arms through Thailand to Chi Nat troops in Burma”.

Brit Amb presented similar *aide-mémoire* and as senior officer made verbal representations to effect that reports of arms smuggling through and over Thai territory have reached both govts disclosing situation of potential danger; further disquieting factor is that Burmese Govt preparing protest to UN; that such move by Burmese wld be gravely embarrassing and wld focus unwanted attention on situation which US-UK Govts consider shld be cleaned up soonest; that both govts will request all possible steps be taken to prevent flow of arms to KMT troops through Thailand. In addition to above joint representation Brit Amb added that any action which conduces to continuation of state unrest in border area must constitute grave physical danger for Thailand; therefore in interests TG to insure that flow of milit supplies to KMT troops shld cease.

I stated that I wished associate with foregoing views, and added that determined effort by TG to investigate and prevent smuggling wld forestall embarrassment to TG in UN; and that we hope by such effort Burmese can be persuaded to drop proposed approach to UN.

FonMin in reply said that matter first came to his attention about six months ago when Burmese Amb² wrote him a ltr; that he had taken appropriate steps and had assumed matter finished until recently matter again brought to his attention; that he agreed entirely with our representations and “disliked this business very much”; that he wld take up the matter with PriMin at once. He then turned to me and remarked that I must be aware that there are Amers involved and that Amer arms were being delivered. I made no comment.

Pass Rangoon USUN; rptd Rangoon 21; USUN unnumbered.

TURNER

¹ The Foreign Minister of Thailand was Nai Worakan Bancha.

² The Burmese Ambassador to Thailand at that time was U Hla Maung.

790B.00/10-351 : Telegram

The Chargé in China (Rankin) to the Secretary of State

SECRET

TAIPEI, October 3, 1951—11 a. m.

450. Deptel 284, Sept 28.¹ Substance reftel communicated Oct 2 to AFT director East Asia Dept² who recounted familiar reasons why Chi Govt cannot issue effective orders for Li Mi's troops to leave Burma or be interned there. According to the director, the recent debacle in which Li Mi's troops had temporarily fought their way back into Yunnan were soon forced back into Burma demonstrates the pointlessness of again ordering Chi Govt troops to return to Yunnan. Because of inadequate food and ill-treatment given Chi refugees in Burmese concentration camps, Chi Govt troops in Burma will not voluntarily submit to internment there, he declared. In addit to other obstacles, the departure of Chi Govt troops for Formosa, Indochina or Thailand wld be impracticable because of necessity of traversing Burma.

Director said that if GOB takes case of Chi Govt troops in North Burma to UN, result will be to destroy slight control and influence Chi Govt has exerted over these forces since Chi Govt will have to publicly state that they are irregulars and not controlled by it. Airing of matter in UN will disclose that GOB troops who attempted to subdue Chi Govt troops in North Burma were defeated by latter and that Chi Govt troops in North Burma receive collaboration of local officials and welcome of local populace. These circumstances, he felt, reflected adversely on GOB auth in Burma. Without elaborating director remarked that public discussion of this affair wld not be in best interest of US, presumably an allusion to previous allegations by the FonOff that US mil have been involved in this matter.

As for Burmese fear that presence Chi Govt troops in North Burma may provoke Chi Commie attack, director said that Chi Commies have many pretexts already for invasion and only lack of force not lack of excuse has held off their aggression.

Pass Rangoon; rptd info Rangoon 3.

RANKIN

¹ In telegram 284 to Taipei, September 28, the Embassy was informed that the Burmese Government had asked the United States to urge the Chinese Nationalist Government to order General Li Mi to return to Taiwan and to order the KMT soldiers in Burma to leave the country or to submit to internment; otherwise, the Burmese might submit the issue to the United Nations which would probably result in embarrassment to the Chinese Nationalist Government (790B.00/9-551).

² The Director, East Asian Affairs Department, Chinese Nationalist Ministry of Foreign Affairs, was Dr. Wang Hsiao-hsi.

790B.00/10-551 : Telegram

The Acting Secretary of State to the Embassy in India

SECRET

WASHINGTON, October 5, 1951—2:39 p. m.

753. During course of conversation concerning KMT troops in Burma, Counselor Brit Emb Wash showed Director PSA tel from Brit HICOM New Delhi ¹ describing msg Nehru ² had dispatched Thakin Nu concerning submission this case to UN. Nehru reported as having told Thakin Nu that he thought US and Brit Govts had taken and wld take all practical steps to solve problem; that submission case to UN wld be unproductive solution wld reflect unfavorably on Burm, might embarrass US, might encourage Red Chi to take strong measures northern Burm; but that if Burm submitted case to UN India wld support Burm position.

Foregoing given Director PSA on highly confidential basis.

AmEmbassy Rangoon 325; AmEmbassy Bangkok 799; USUN 184.

WEBB

¹ Sir Archibald Nye.

² Jawaharlal Nehru, Prime Minister and Minister of External Affairs of India.

793.00/10-951 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

SECRET

RANGOON, October 9, 1951—3 p. m.

356. Reurtel 16 [17], Oct. 5.¹ Comments Deptel 717, Sept 28 ² follow:

Para 1. While GOB will be delighted see all KMT troops withdraw Burmese territory, it feels must maintain outward appearance of attempting round them up for internment in order satisfy Peiping. Thus withdrawal wld have to be carried out through Indochina or Thailand with GOB forces ostensibly driving them out. As in past both Indochina and Thai Govts reluctant allow KMT troops enter their territory under these circumstances, possibility arranging withdrawal KMT troops from Burma appears slight.

¹ In telegram 17 from New Delhi, October 5, the Embassy reported that Thakin Nu and Nehru would exchange ideas about the Japanese peace treaty and the KMT troop situation in Burma when they met in New Delhi on October 21 (690B.91/10-551).

² In telegram 717 to New Delhi, September 28, the Department reported that when the U.S. Deputy Representative at the United Nations (Gross) approached the Chinese Representative (Tsiang), about the possibility of Burma's bringing the question of the KMT troops before the UN, Tsiang said that he did not think these forces would accept internment in Burma. Rather, he suggested that an accord be negotiated to bring about a guaranteed withdrawal of these troops to Taiwan, although he observed that he did not think this solution would be acceptable to the Burmese. Tsiang thought the best line of action would be to have Li Mi's forces return to combat in Yunnan. (793.00/9-2851)

Para 2. This scheme tried by KMT earlier this year and failed miserably.

Para. 3. While GOB convinced presence KMT troops greatly enhances Chi Commie invasion threat, regardless this question GOB considers unauthorized occupation Burmese soil by KMT gross violation its sovereignty and contrary its settled policy neutrality.

Sent New Delhi 14; rptd info Dept 356.

KEY

490B.11S/10-951

Memorandum by the Chief, Munitions Division, Department of State (Elliott) to the Chief, Foreign Aid Division, Office of International Programs, Munitions Board, Department of Defense (Bennett)

SECRET

WASHINGTON, October 9, 1951.

I am transmitting herewith for your attention copies of requests from the Embassy of Burma and from Olin Industries, Incorporated, New Haven, Connecticut,¹ that priority assistance be accorded that firm to permit delivery of a quantity of ammunition covered by a contract dated May 18, 1951, between the Government of the Union of Burma and the Ameritex Development Corporation, sales representative of Olin Industries, Incorporated, in Burma.

There has been an exchange of communications with our missions in the field concerning this request, and, on the basis of these and other consultations, the Department has concluded that assistance should be granted to permit delivery of a portion but not all of the ammunition covered by the contract, as follows:

- (a) 3,000,000 rounds of caliber 9 mm. parabellum;
- (b) 341,500 rounds of caliber .22 long rifle; and,
- (c) 144,200 rounds of caliber .38 S. and W.

The request has recently been discussed informally by officers of our respective divisions on the basis of the above figures.

The Department believes that important political reasons warrant the granting of the necessary assistance to permit delivery of the ammunition as specified in the preceding paragraph. It is requested that the Department be consulted prior to Munitions Board action in the event of an unfavorable conclusion by the Department of Defense in this matter.

Of the communications exchanged with the field on this subject, despatch No. 248 from Rangoon of September 19, 1951, summarizes the

¹ Not printed.

pertinent information. A copy is enclosed.² Other pertinent communications, which have been made available to the Department of Defense, are enumerated in an enclosure to this memorandum.³

It is noted that an application for an export license covering all the items contracted for by the Burmese Government was concurred in by the Munitions Board Staff on June 29, 1951, Munitions Board Case No. 1818.

JOHN C. ELLIOTT
Chief, Munitions Division

² Not printed. It informed the Department concerning discussions with the British Ambassador in Rangoon with regard to the United Kingdom's reservations about the United States permitting private arms sales to the Burmese Government to the fullest extent sought by the latter. The American Ambassador recommended that the Department approve that portion of the Burmese requests to which the United Kingdom had no objections, as this would satisfy both the Burmese and the British. (490B.1182/9-1951)

³ Not printed.

490B.1182/9-1951 : Telegram

The Secretary of State to the Embassy in Burma

SECRET

WASHINGTON, October 16, 1951—3:23 p.m.

352. Embdes 248 Sep 19¹ and 305 Oct 4² Dept has recommended to Munitions BD priority assistance for fol ammo: nine mm three million CMM seven point nine two mm nil (rept nil) CMM 38 cal 140,000 CMM 22 cal 341, 350. Although this recommendation does not assure procurement it is probable that materials will be made available thereby. As no official request has been recd for help in procuring other items no action has been taken regarding them.

In informing Barrington of quantities recommended Dept has pointed out shortage critical materials. Brit Emb being informed.

Dept agrees it wld be unwise enter into any arrangement with Brit under which we wld arrive at agreed position re Burm arms requirements. We shall however continue consult Brit when requests Recd from Burm.

Rptd AmEmbassy London 2041.

ACHESON

¹ Not printed, but see footnote 2, *supra*.

² Not printed. It provided more information on discussions with the British Embassy concerning Burmese arms requests and reiterated Ambassador Key's previous recommendation that such discussions should be continued without, however, any American commitment to achieve an agreed position with the United Kingdom on Burma's needs for all types of arms and ammunition. (790B.56/10-451)

790B.00/10-1751 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET

NEW DELHI, October 17, 1951—8 p. m.

1378. GOB policy re disposition Chi Natl troops in Burma, as reflected Rangoon's 14 Oct 5 to Delhi, repled Dept 356 wld appear bar way any realistic settlement, thus leaving dangerous issue hanging in air.

Assuming inability GOB disarm and intern Chi Natl forces, practical approach in Emb view wld seem be for interested third govts press GOB grant safe passage those forces thru Burmese terr en route Taiwan. US, UK, GOI, and perhaps France and Thailand, might make joint approach or act separately but along similar lines. Chi Commies wld doubtless protest granting safe passage as contrary internatl law, but removal Chi Natl forces from Burma wld relieve Chi Commies of threat Yunnan. In any case, Burmese grant safe passage less likely provoke Commie action than retention Chi Natl forces Burma.

Expected arrival Burma PriMin Delhi Oct 21 for talks with Nehru cld, if GOI receptive to idea, provide opportunity approach Thakin Nu.

Dept's views and comment re such approach wld be appreciated.

Dept pass Rangoon, London, Taipei, rpled info Rangoon 22, London 53, Taipei, UN.

STEERE

790B.5614/10-1851

Memorandum of Conversation, by the Officer in Charge, Burma Affairs (Aclly)

SECRET

[WASHINGTON.] October 18, 1951.

Subject: Visit of Ambassador Barrington and U Sain Bwa

Participants: His Excellency James Barrington, Burmese Ambassador

U Sain Bwa, First Secretary of Burmese Embassy

Assistant Secretary Rusk—FE

R. Austin Aclly—PSA

Mr. Barrington called to present U Sain Bwa, the new First Secretary who will assume temporary charge of the Embassy during the absence of Mr. Barrington at UN General Assembly in Paris.

During the course of the conversation, Mr. Barrington expressed his thanks to Mr. Rusk for assistance in obtaining a recommendation for priority in the procurement of certain materials needed by the manufacturers of certain quantities of ammunition ordered in this country by the Burmese Government. The Ambassador inquired whether the

Department's action in this case could be interpreted as an indication that similar action will be taken in future cases, especially other items of ammunition about which unofficial inquiries have already been made. Mr. Acly explained that in the case of such items as signal cartridges, anti-personnel mines, and other miscellaneous ammunition, the interested officers in the Department are favorably disposed toward recommending the necessary priority, but that since no official request had been received, these items had not been mentioned in the Department's note to Mr. Barrington. Mr. Rusk suggested that it might be advisable for the Ambassador or U Sain Bwa to take up matters of this kind in the first instance informally with Mr. Acly or other interested officers in order that the prospects may be explored before formal action is taken. Mr. Barrington agreed to this suggestion.

Brief mention was also made of the matter of the Chinese Nationalist troops in the Kengtung State of Burma. In reply to Mr. Barrington's inquiry as to whether the Department could offer any suggestions as to a possible settlement of this problem, Mr. Rusk asked whether any consideration had been given to the possibility to permitting these troops to settle on undeveloped land in the Shan States on condition that they lay down their arms and live peacefully as farmers. Mr. Barrington replied that such an arrangement would probably be objectionable to the Chinese Communists and that his Government, therefore, probably could not adopt it. Mr. Acly asked what Mr. Barrington thought the reaction of the Chinese Communist Government would be to a possible suggestion that the troops be repatriated to Taiwan through Burma. The Ambassador replied that this would probably be strongly opposed by the Chinese Communists as a violation of International law.

Mr. Barrington made inquiries as to whether the Department had any information regarding General Edwin Clark, an American who has recently approached the Ambassador with a view to selling the Burmese Government arms and ammunition. Mr. Rusk replied that he had a vague recollection of a General Clark who was connected with the China Institute in America. This was verified by correspondence found in Mr. Rusk's files. Mr. Rusk said that General Clark appears to be well regarded in New York. Both Mr. Rusk and Mr. Acly agreed to make inquiries and to inform the Ambassador.

Before leaving, Mr. Barrington mentioned that the Burmese Delegation to the UN General Assembly in Paris would be as follows: U Myint Thein (Head of Delegation), Ambassador Barrington, U Kyin (Ambassador to India), U Tun Shein (Permanent Secretary in Foreign Office), U Xaw Win (Burmese Minister in Paris) and two members of Parliament whom Mr. Barrington described as being included for political reasons.

493.9283/10-1851: Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, October 18, 1951—3 p. m.

913. Re Deptel 821, October 9, rptd Rangoon 334.¹

FonMin confirmed to me today reports mentioned reftel that smuggling arms thru Thai to KMT troops Burma has already ceased. He stated that Thai Govt had issued strict instructions to Min Interior² to prevent such smuggling, and that he expected be able give me soon further details of measures being taken in this direction.

Sent Dept 913, rptd Rangoon 934.

TURNER

¹ In telegram 821 to Bangkok, October 9, the Embassy was asked to confirm reports that the smuggling of arms and equipment to the KMT troops in Burma had ceased. The Embassy in Rangoon had initiated this request in order to pass this information along to the Burmese Foreign Office if these reports were true. (493.9283/9-1951)

² Lt. Gen. Mangkorn Phrom Yodhi.

790B.00/10-1751: Telegram

The Secretary of State to the Embassy in India

SECRET

WASHINGTON, October 20, 1951—3:19 p.m.

853. Embtel 1378 Oct. 17. FYI Dept believes highly unlikely KMT troops wld submit to being repatriated by any means. Question our position therefore largely academic.

You shld not raise question but if asked you may say that US Govt wld give sympathetic consideration to any proposal that Thakin Nu or Nehru might make for repatriation thru Burm. FYI Dept however opposed to any approach to Thai or Fr with view repatriation through Thai or Indochina.

Rptd info Amembassy Rangoon 365, Amembassy London 2115, Amembassy Taipei 343, Amembassy, Bangkok 888.

ACHESON

790B.00/10-2751: Telegram

The Acting Secretary of State to the Embassy in Burma

SECRET

WASHINGTON, October 27, 1951—1:50 p. m.

385. Dept has recd with growing concern reports from reliable sources indicating the development of a serious threat to the independence of Burm by insurgent groups within the country, encouraged and supported from abroad. The declared objective of the insurgent groups, to overthrow the Burm Govt within two years, appears to be based upon a mil potential of considerable proportions. The accom-

plishment of this objective wld deprive the people of Burm of the independence that they have struggled to gain and to maintain, and wld subj Burm to a system of despotic tyranny which has already engulfed a nr of theretofore independent nations.

As the Burm Govt is well aware, the US has consistently maintained an attitude of helpful friendship and coop with the Union of Burm, and in so doing has been motivated by a desire to strengthen Burm econ and politi structure to help its Govt and people better to resist the subversive influences that threaten its independence. In this spirit, the Amer Govt believes that it wld be neglecting its obligations as a friend if it failed to pt out the seriousness of the consequences of failure to overcome this threatened attack.

You are authorized to seek an appropriate opportunity for a personal interview to bring Depts observations to the attn of the PriMin, embodying them in an *aide-mémoire*.

While Dept believes that it wld not be appropriate for the Amer Govt to volunteer specific suggestions as to steps that the GOB might take to resist this threat, it wld appear that fuller advantage might be taken of available opportunities to improve the training and morale of the Burm armed forces and that a more determined effort might be made to arrive at an adjustment of differences with racial minority groups now in revolt in order to enlist their mil and moral support for the Govt. If but only if the PriMin shld request advice on this matter, you may mention these suggestions. You may also assure the PriMin that the Amer Govt will maintain its attitude of helpful coop toward the GOB.

WEBB

790B.00/11-1351

*Memorandum by the Ambassador in Burma (Key) to the Special Assistant to the Secretary of State (Battle)*¹

CONFIDENTIAL

[PARIS,] November 13, 1951.

I telephoned Mr. William Lacy, Director of Philippine and South-east Asian Affairs, this afternoon from the Embassy² and expressed to him my puzzlement over recent telegrams from the Department and Singapore which indicated serious apprehensions and alarm about the present situation in Burma.

I stated that the situation which obtained in Burma at the time I left Rangoon two weeks ago, though unsatisfactory in certain respects, was certainly not so grave as to cause the deep anxieties revealed in the messages above mentioned. I stated that if the present apprehension was based on a message which emanated from a controlled agency

¹ At this time Mr. Key was in Paris for the United Nations' meetings.

² Presumably Mr. Key was at the American Embassy in Paris.

about mid-October and which forecast alarming developments in the Mandalay-Bhamo-Lashio triangle, I wished to assure him that subsequent investigation had disclosed that the report was more alarming than the facts warranted. Furthermore, the Burmese authorities themselves were not concerned about the situation in the Mandalay area, nor did the British Vice Consul, stationed in nearby Maymyo, who was in close touch with the local military authorities, feel worried. In view of these considerations, it was the consensus that there was no particular reason for alarm. In fact, the Burmese military authorities were confident that they could cope with any attack mounted by the insurgents.

With regard to the proposed joint reexamination by the British and ourselves of our policies towards Burma, I expressed the hope that any such joint reexamination would take fully into account the fact that the Government of Burma does not want, nor would it accept, any substantially increased aid—especially military aid. Under no circumstances would Burma accept MDAP aid from us, in view of the strings attached to the latter and because of Burma's clear-cut and repeatedly expressed policy of strict neutrality. Acceptance of large-scale military aid would immediately expose the Government to political attacks on the grounds that the latter was departing from its neutral policy and was siding with the Anglo-Americans. With regard to assistance which might be rendered by the UK and the US in the event Burma were invaded by the Communists, it should be borne in mind that no responsible official in Burma will publicly, or in most cases even privately, admit such a possibility. Consequently, any military plans predicated on the foregoing hypothesis would have to be kept in the strictest confidence, and no Burmese military officials or other officials could be expected in any way to discuss plans with the US and the UK. Thus, any talk of proffering substantial military aid to Burma is based on a complete lack of comprehension regarding the present Burmese picture. Mr. Lacy informed me that any conversations by the British and ourselves which would have to do with the reexamination of our policies towards Burma would take place in Paris and that I would be expected to take part in them. This, he pointed out, would give me an opportunity of clarifying any misconceptions which may exist on the military aid program.

I informed Mr. Lacy that I was puzzled by Mr. MacDonald's³ stand as reported in Singapore's 537 of November 6.⁴ In this message Mr. MacDonald has described Thakin Nu as "spiritual and acts like a person with a desire to be a monk—not political." I pointed out to Mr. Lacy that such a description of Thakin Nu was in my opinion

³ Ambassador Malcolm MacDonald, the British Commissioner-General of Singapore.

⁴ Not printed.

entirely incorrect. Thakin Nu is a devout Buddhist, but to say that he has no political sense is to overlook the fact that he dominates the present Government, which recently achieved a sweeping electoral victory, and that without him at the head of the party, the AFPFL would have practically no following. Mr. MacDonald evidently fails to appreciate the importance of Buddhism in Burma and its great political significance. A large measure of Thakin Nu's political strength rests upon the fact that he is the outstanding champion of Buddhism and the most important lay Buddhist leader in Burma. Similarly, Mr. MacDonald's statement that the Burmese Government "needs the support of the free world and military aid" reveals a lack of understanding of the present Burmese picture. In view of Burma's "neutral" policy, nothing could be more embarrassing to Thakin Nu than too much support from the "free world"; the present Burmese Government has to exercise extreme caution in accepting American and British aid lest it be stigmatized by the opposition as the tool of Anglo-American imperialism. As for further "material aid", it is not clear what MacDonald has in mind, but it should be pointed out that the United States is extending about as much ECA aid as Burma can absorb and, barring further appropriations from Congress, the amount earmarked for Burma cannot be increased. It should also be pointed out that Burma has so far consistently refused to accept any aid under the Colombo Plan and will probably continue to refuse such aid for the reason that acceptance would expose the Government to the kind of criticism above mentioned.

In closing, I suggested that if we wished effectively to assist Thakin Nu and his Government, which is democratic and covertly anti-communist, there were two important steps which we could take. The first and most important would be to agree to the use of ECA counterpart funds to the amount equivalent of two million dollars for use by the Government in revitalizing religion, which in the case of Burma means revitalizing Buddhism, since that religion is practiced by the overwhelming majority of the inhabitants of Burma. This scheme, which the Prime Minister has urged in the most forceful terms and with respect to which he has been seeking our assistance for the past several months, would, in the Prime Minister's opinion, strengthen him and his Government in a dramatic manner which could not possibly be duplicated were we to extend several times that amount of aid in the military or economic fields. Although the Prime Minister's project might seem unorthodox to Occidentals, it must be borne in mind that Buddhism is a vital force in Burma and that the Prime Minister of Burma knows his people.

The second way in which I suggested that we could assist Thakin Nu would be by putting an end to the smuggling of arms to the KMT troops in Burma via Thailand. This would require Thai cooperation.

It should not, however, be difficult at least to close the Thai air fields to planes smuggling arms into Burma. It should also not be difficult to end the unauthorized activities of Americans allegedly involved in the smuggling. Some indications, however slight, that we and the Thais are doing something about this scandalous situation which has caused the Burmese Government such embarrassment and concern would be all to the good and would relieve the tension which has arisen as a result of KMT activities in Burma. By stopping the smuggling of arms and supplies, the KMT's would be discouraged from launching further incursions into China. They would also be less inclined to cause trouble within Burma.

I suggested that every effort, therefore, be made to assist the Burmese Government in regard to the above-mentioned two matters. In each case the Prime Minister has sought our assistance. It would, in my opinion, therefore be much more desirable to accede to requests already made than to come forth at this stage with proffers of assistance in fields in which the Government of Burma is not interested. Mr. Lacy indicated that the prospects of obtaining ECA acquiescence in regard to the Prime Minister's project were very good. He promised to do everything within his power to obtain an early and favorable decision.

790B.00/11-1651

The Chargé in Burma (Day) to the Secretary of State

CONFIDENTIAL

RANGOON, November 16, 1951.

No. 453

Enclosed is the Supreme Court's judgment on Dr. Seagrave's appeal, handed down on November 12, 1951, which acquits him on all charges.¹

The Supreme Court approved the Appellate Court's (the High Court) decision in acquitting Dr. Seagrave on the second of the three charges on which he had originally been tried. The Supreme Court's grounds for reversing the conviction on the third charge were that the High Court had misconstrued the meaning of the word "aid" in connection with the appellant's giving some medicine and a box of surgical instruments to Naw Seng, leader of a rebel group. The Supreme Court held that Dr. Seagrave's use of the word "aid" in his statement to the Trial Court was an admission of facts, not of the offence charged. The Supreme Court decided that the proper interpretation of the evidence was that he was under duress at the time the act was performed, and that although he knew that his act had aided the rebels, his intent was to save his stock of medical supplies and protect his hospital, rather than to "encourage, harbour and comfort" Naw Seng and his followers. The Supreme Court therefore allowed

¹ Not printed here.

the appeal, and set aside the conviction and sentence on the third charge.

The penultimate paragraph of the decision has nothing to do with the points of law in question or with the appeal itself, but is believed to be an accurate statement of the state of mind of many Burmans, and in addition is believed to be an attempt to mollify individuals who have been consistently anti-Seagrave.²

Dr. Seagrave's lawyer, U Kyaw Myint, plans to make application November 17 to the authorities for permission for Dr. Seagrave to return to Namkham. It is believed that the acquittal will make it more difficult to refuse his application, but the Embassy remains pessimistic about his chances of returning at an early date.

HENRY B. DAY

² The penultimate paragraph of the Supreme Court's decision read as follows:

"One more word and we are done. On going through the bulky record of the proceedings, we cannot help thinking that the appellant himself has brought all this trouble upon himself. His attitude towards the Karen nurses and Naw Seng and his men during their first occupation of Namkham and his attitude towards Brigadier Lazun Tang would make some people suspect that his sympathies were with the Karens. Once this suspicion was engendered, whatever he did or said would appear, not only to a lay mind but even to some trained minds as an act to help and encourage the Karen rebels. This is exactly what has happened in this case. Therefore, what we like to urge is that those who come to our country and enjoy our hospitality should not give grounds for suspicion, either by words or deeds, that they are taking sides in our internal affairs. We are a small country and we desire, as is the policy of our Government to live on terms of friendship with everybody. We like to settle our affairs and promote the welfare of our people in our own way. If anybody is found interfering in our internal affairs in disregard of our law, he will be punished irrespective of whoever and whatever he may be."

790B.00/11-2051

The Chargé in Burma (Day) to the Secretary of State

SECRET

RANGOON, November 20, 1951.

No. 461

Ref: Deptel 385, October 27, 1951.

Subject: Interview with Foreign Minister concerning Insurgent threat.

The Prime Minister being absent from Rangoon during most of the time for several weeks after receipt of the Department's telegram 385, the Foreign Office arranged an interview with the Foreign Minister shortly after his return from a two weeks' trip in the Shan States. A memorandum of my conversation with the Foreign Minister is enclosed.¹

The Foreign Minister expressed surprise that the United States government was so concerned over the Communist insurgent threat and said that it was his own opinion that Burma was in a stronger

¹ Not printed.

position than ever before. Responding to my verbal assurance of the continued desire of the United States government to be helpful and to cooperate with the Government of Burma, the Foreign Minister reverted to the situation created by the presence of KMT troops in Kengtung State and said he thought the most helpful thing the United States could do would be to induce the Chinese Nationalist Government to break off all communication with and support to these KMT troops. He said that he thought were it not for the necessity of having to use Burmese troops to contain the KMT troops, rapid progress could be made against the insurgents.

It is difficult to understand why the Foreign Minister took such an optimistic line on the subject of the Communist insurgent threat and chose to emphasize the troubles with KMT troops. Apparently the authorities in Burma either still suspect that the United States government is somehow involved in the operations of these troops and in the supplying of arms and equipment to them or believe that the United States government could take more positive and effective action to stop the government at Taipei from issuing orders to General Li Mi, beyond orders to leave Burma, and to prevent smuggling of arms and supplies to the KMT troops.

The Foreign Minister said that he would show the *Aide-Mémoire*, which I left with him, to the Prime Minister. A copy of the *Aide-Mémoire* is forwarded as Enclosure No. 2.²

HENRY B. DAY

² Not printed, but its contents reflected the Department of State's observations presented in telegram 385, October 27, p. 306.

INR Files

Memorandum by the Central Intelligence Agency

SECRET

WASHINGTON, November 26, 1951.

NIE-36/1

NATIONAL INTELLIGENCE ESTIMATE

PROSPECTS FOR THE SURVIVAL OF A NON-COMMUNIST REGIME IN BURMA

THE PROBLEM

To review the conclusions of NIE-36, "Prospects for Survival of a Non-Communist Regime in Burma," dated 1 August 1951, with reference to the timing of possible control over part or all of Burma by the Burmese Communists.

ESTIMATE

1. In NIE-36 it was estimated that the Communists "will probably be able within the next year or two to achieve *de facto* control over a considerable area of northern Burma" and that if covert Chinese

Communists aid to the Burmese Communists continues "the Burmese Government is not likely to survive in the long run unless it greatly increases its political and military strength."

2. Recent reports indicate that the situation may be deteriorating more rapidly than had been estimated in NIE-36. As anticipated, the Chinese Communists have continued their support of the Burmese Communists. In addition there is evidence that the Burmese Communists are making progress toward collaboration with the Karens, thus increasing the over-all capabilities of the insurgents. The pro-Communist Burma Workers and Peasants Party has become increasingly effective in unifying overt left-wing opposition to the Burmese Government and in hampering the government's operations against the insurgents. Within the government itself, friction between certain Army leaders (particularly Ne Win) and the Socialist leaders has not abated, and there are indications of rising tension between the moderate Socialists and leftists led by Ba Swe.

3. We conclude, therefore, that internal tensions are likely to weaken the regime more rapidly than anticipated in NIE-36 and that there is a greater possibility that the present government may be replaced by a leftist regime or even, though less likely, by a pro-Communist regime. We conclude also that the Burmese Communists will probably extend their military control in northern Burma during the current fair weather season (six to eight months) and that, even without direct participation by Chinese Communist Forces, they will be able to achieve effective control over considerable areas of northern Burma in a year to eighteen months.

690B.93/11-2851

The Chargé in Burma (Day) to the Secretary of State

SECRET
No. 490

RANGOON, November 28, 1951.

Ref: Deptel 461 Nov. 23, 1951¹ repeated Bangkok 1142, Saigon 705, Taipei 424; Saigon tel 1038, Nov. 16, 1951, to Department.²

Subject: Viewpoint of Burmese toward relation of United States Government to activities of KMT troops in Burma.

Paragraph 3 of Saigon's telegram 1038 November 16, 1951, to the Department informed the Department that the Chinese Consul

¹ Not printed. In this telegram, the Department informed the Embassy in Rangoon that the United States could not prevent visits by high ranking Chinese Nationalist officials to the KMT forces operating in northern Burma. Moreover, the Embassy was to indicate clearly to the Burmese Government that the United States had no control over the movement and activities of Chinese Nationalist officials, as the government on Formosa was a sovereign and independent entity. (690B.93/11-2151)

² Not printed.

General in Saigon had reportedly learned that General Hsiao Yi-Su, Nationalist Vice Minister of Defense might make a visit to Nationalist guerilla units in the frontier area along the Burma-Yunnan border.

While the obstacles to such a visit by a high Nationalist official seem great enough to suggest that it is not likely to happen, it is believed desirable to explain in greater detail this Embassy's comment in its telegram 490 of November 21³ that such a visit would be considered by the Burma Government as a further indication that the United States Government is involved in the operations of KMT troops in Burma.

Apart from what action can be taken to dispel unfounded impressions in the minds of Burmese officials, it seems necessary to report further the definite impression officers of this Embassy have gained of the viewpoint of many officials of the Government on the influence which it believes the United States Government could exert on the Chinese Government at Taipei for the purpose of bringing about, by degrees, an end to alleged violation of Burma's sovereignty by use of Burmese soil for operations of KMT guerilla troops led by General Li Mi.

Although reports of Chinese Communist methods of ruling have caused unfavorable reactions among some conservative Burmese with a corresponding change to a more favorable attitude toward Chiang Kai Shek's⁴ regime and the possibility of it being eventually restored to power on the mainland of China, most Burmese have been inclined to regard the Nationalist Government of China as a defeated, exiled regime depending for its existence on the support of the United States Government. They understand the United States Government is furnishing military supplies and equipment. The Burmese authorities have found modern rifles and other equipment of American manufacture in the hands of KMT soldiers captured in Burma. Captured KMT officers have stated America was helping them. The Burmese have assumed that these arms are from supplies furnished by the United States to the Chinese in Formosa. For the past year there have been repeated reports that at least two Americans in uniform have been seen with KMT units in Burma. These stories have gained widespread credence. The Burmese draw the conclusion that if the United States Government is not an accessory to the supplying of arms from Formosa to General Li Mi's forces it could at least prevent this traffic by bringing pressure to bear to the Chinese Nationalist authorities. In the same manner, they reason that the United States Government could take firm and effective measures to induce the Chinese military

³ Not printed.

⁴ President of the Republic of China.

authorities in Formosa to break the link which they are firmly convinced exists between General Li Mi and the Chinese Nationalist military authorities in Formosa through regular exchanges of communications. The Burmese believe that General Li Mi is acting under direct orders from Taipei.

Burmese officials have also repeatedly given evidence of the belief that the United States Government can exert decisive influence upon the Chinese Legation in Bangkok, and on the Thai Government (e.g.: Embtel 312 of September 24, 1951), both of which are believed to be in close contact with the American military in Bangkok. It is perhaps for this reason that General Li Mi's visit to Bangkok, airdrops from short-ranged planes ostensibly based in Thailand, and visits by important individuals from Bangkok to the Kengtung area are considered evidence, if not of our complicity with the KMT troops' activities in that area, then of our complaisance in the premises.

Many Burmese officials thus hold the view that the United States Government is in a position to act effectively to prevent smuggling of arms from Taipei and put an end to aid from the Chinese Nationalist Government to General Li Mi's forces on Burmese soil.

In addition to the belief of Burmese that we are aiding the KMT troops in Burma, some British officials in Burma hold this opinion. A member of the British diplomatic mission in Burma recently argued in the presence of a Burmese army officer that the United States was helping these troops.

As long as these beliefs remain firmly rooted, it will be difficult to satisfy the Burmese authorities that the United States Government is doing all it can to resolve the problem of KMT troops in Burma by pointing out that the Government at Formosa is sovereign and independent and that the United States Government does not control and has no responsibility for the movements and activities of Chinese Nationalist Government officials.

While the logic or accuracy of the reasoning of the Burmese may be weak, the belief that the United States Government is involved is so widespread, despite official denials, that the smallest item of information that permits interpretation of possible United States involvement, however remote, is likely to be viewed in a light unfavorable to our interests.

For this reason the Embassy thinks that if Chinese Nationalist officials manage to visit KMT guerilla forces under General Li Mi's command in the China-Burma border area many Burmese authorities would find it difficult not to believe that in some way the United States Government was involved, either because the United States helped arrange it or approved it or did not prevent it.

The Embassy has no reason to doubt that the Prime Minister has accepted the positive assurances of the Ambassador that the United

States is not in any way involved in the alleged infringement of Burmese sovereignty by KMT troops and that other high officials are satisfied we have not been involved. Some officials are no doubt satisfied that the United States Government desires to help as best it can in solving the problem. Conversations of Embassy officers with officials and others have shown, however, that the belief in American involvement is widespread among Burma army officers and among officials in the Shan States, including the Sawbwas who are heads of the States. This belief appears to be not entirely the consequence of Communist propaganda, although the Communists have no doubt fostered it. The comments of the Foreign Minister, reported in my despatch 461 of November 20, 1951, indicate that he believes firmly that the United States could act effectively to break the link between the Government at Taipei and General Li Mi and prevent support of Li Mi's troops by Chinese Nationalist military elements in Formosa. It may safely be assumed that other high officials are with him in holding this view.

As previously reported, the Burma Government has become more concerned over the KMT troops since the pro-Communist leftist opposition, acting through the Burma Workers and Peasants Party and the World Peace Council (Burma) have publicly advocated stronger Government measures against KMT troops in Burma.

That this problem, which so strongly affects our relations with Burma, is likely again to become acute, seems likely from a report which the Army Attaché received of a reviewed concentration of KMT troops under General Li Mi's command at Menghsat in Kengtung (Embassy despatch 466 of November 20, 1951.)⁵

Action requested: Please send copies of this despatch to Bangkok, Saigon, Taipei, New Delhi, and Paris.

HENRY B. DAY

⁵ Not printed.

790B.00/11-2851

*Memorandum by the Special Assistant for Mutual Security Affairs
(Merchant)*¹

TOP SECRET

[WASHINGTON,] November 28, 1951.

When I was in London two weeks ago Julius Holmes,² Jim Penfield³ and Arthur Ringwalt⁴ in the Embassy all brought up at one time

¹ Addressed to the Deputy Assistant Secretary of State for Far Eastern Affairs (Allison), Director of the Office of Philippine and Southeast Asian Affairs (Lacy), and to Kenneth C. Krentz of the Policy Planning Staff.

² Julius Holmes, Minister of the American Embassy at London.

³ James K. Penfield, Counselor of the American Embassy at London.

⁴ Arthur R. Ringwalt, First Secretary of the American Embassy at London.

or another the question of KMT troops in Burma. They knew a great deal about the situation and were relieved when I told them that they could accept as a fact that there is no U.S. governmental connection whatsoever with the operation. I gathered that General Bedell Smith had been through London recently and was somewhat more forthcoming with the British than he had been a few months ago with Kit Steele here. It was also quite plain that the Foreign Office had been very genuinely disturbed over the situation.

The following incident had been related some weeks ago by Rob Scott ⁵ in the Foreign Office to Art Ringwalt. It seems that when they made the suggestion to us the Foreign Office genuinely thought that it would be a useful operation if their Ambassador in Bangkok and our Chargé d'Affaire both descended upon Phibun ⁶ and gave their assurances of non-involvement. When the Department agreed to this joint or concerted determination they cabled appropriate instructions to their Ambassador. He replied cryptically to the effect that obviously they did not know what he knew or they would not have sent him the instruction. This puzzled the Foreign Office and they cabled the Ambassador to ask him to what he referred. He replied in effect that in the course of a call on Phibun some time before to discuss another matter, the Prime Minister had volunteered that he had been approached by a representative of the American Intelligence Agency and asked to provide certain facilities to support Li Mi, that he had readily agreed, and stated that he would help the Americans or anyone else to kill Communists. When the British Ambassador elevated his eyebrows Phibun is reported to have replied, "Why are you surprised? Aren't you just as interested in killing Communists as I am, or as the Americans are?"

⁵ Robert H. Scott, Deputy Assistant Secretary of State in the British Foreign Office.

⁶ The reference is to the Prime Minister of Thailand.

790B.00/11-351

The Acting Assistant Secretary of State for Far Eastern Affairs (Allison) to Frank C. Nash, Assistant for International Security Affairs to the Secretary of Defense (Lovett)

TOP SECRET

WASHINGTON, December 11, 1951.

MY DEAR MR. NASH: In accordance with the suggestion made in your letter of November 3, 1951,¹ a meeting was arranged between

¹ Not printed. In this letter, Mr. Nash had suggested that in view of the deteriorating situation in Burma, representatives from the Departments of State and Defense should consult together on United States policy with regard to Burma to explore every action possible to strengthen Burma against Communist subversion and attack. (790B.00/11-351)

Mr. Young² and Major Mitchell of the Department of Defense and several officers of the Department of State to discuss the deteriorating situation in Burma and to consider steps that might be taken to improve conditions. A copy of the memorandum of conversation covering this meeting was sent to Mr. Young.³

Following a suggestion made at the meeting, the Consul in Singapore⁴ was instructed to interview Mr. Malcolm MacDonald, British Commissioner General for Southeast Asia, on his return from a visit to Burma, in order to discuss the general situation in Burma and seek his views on possible joint or coordinated action. Unfortunately, Mr. MacDonald had come to the conclusion that aside from the discreet rapport already existing between the United Kingdom and the United States in relation to Burma there is no joint or coordinated action that would offer any prospect of effecting an improvement in the situation. He also expressed the opinion that in a military way nothing additional could be done.

The preliminary draft of a paper on the situation in Burma, which was shown to Mr. Young and Major Mitchell, has been revised to embody certain suggestions made by them and is now being considered by the Department for possible submission to the National Security Council.⁵ It is believed that this paper could appropriately be used in connection with a joint study of the situation in Southeast Asia.

Sincerely yours,

JOHN M. ALLISON

² Kenneth T. Young, Assistant to the Acting Director, Office of Foreign Military Affairs in the office of Mr. Nash.

³ Not printed.

⁴ John Goodyear.

⁵ Presumably this draft paper on Burma became part of NSC 124/2 which was adopted by the National Security Council and approved by President Truman on June 25, 1952 (Lot 61D167, Box 2491).

890B.00R/12-1151

The Chargé in Burma (Day) to the Acting Assistant Secretary of State for Far Eastern Affairs (Allison)

SECRET

OFFICIAL-INFORMAL

RANGOON, December 11, 1951.

MY DEAR MR. ALLISON: Assistant Secretary Rusk in a letter dated October 30 requested an analysis of the American aid program in Burma as part of a study of our aid programs in the Far East.¹

Some time has been spent in study of the program and consultation in the other Embassy offices to get their views. I have found it necessary first to set down certain general considerations concerning our

¹ Not printed.

program in Burma and am forwarding these now. Further analysis along the lines set forth in the enclosure to Assistant Secretary Rusk's letter will follow.²

Sincerely yours,

HENRY B. DAY

[Enclosure]

AMERICAN AID PROGRAM IN BURMA

Burma is receiving economic and technical assistance from the United States but has not been willing to accept military aid from the United States on a continuing grant or reimbursable program basis.

For these notes on the American program of economic aid, comment on the general nature of the program and factors which limit the scope of potential direct American aid may be helpful.

A description of the various individual projects would require much space and would duplicate material already submitted by STEM in some detail. Parts VII and VIII of STEM's despatches Toeca D-575 of August 31, 1951,³ appraising program prospects for the fiscal years 1952 and 1953 and despatch Toeca D-615 of September 28, 1951,³ on the revised FY 1952 program for Burma contain useful outlines of all ECA projects formulated thus far.

It is believed unnecessary to elaborate here on often stressed limitations imposed on economic aid projects by insurgent activities outside the main towns in most of central and lower Burma and a part of upper Burma and on foreign aid in particular by the desire of Burmese to avoid any commitments that they suspect might eventually place them under foreign control. For economic recovery and full use of foreign aid, lawlessness must cease and suspicions of hidden motives be dispelled.

² Neither the enclosure to Mr. Rusk's letter nor the Embassy's follow-up memoranda of December 21 and December 28 which complied with Mr. Rusk's instructions are here printed. In the document of December 21 the Embassy summarized the accomplishments and progress of the aid projects to date and concluded that a good beginning had been made, but that the programs had not produced the results hoped for in terms of aiding the United States' short-range foreign policy objectives in Burma. The fundamental reason underlying this situation was that the projects had not received widespread publicity and, hence, were not understood even by usually well-informed Burmese. The Embassy, however, was trying to initiate publicity measures to correct this state of affairs, but officials believed that in the long run, given the political atmosphere in Burma, American interests would best be served by relying on concrete achievements to generate goodwill among the Burmese. (S90B.00R/12-1151) In the latter memorandum of December 28, the Embassy analyzed in much greater detail the factors which encouraged or discouraged the success of the American aid program, summarized in detail the political situation in Burma, and concluded again that the aid projects would probably contribute only to the long-term foreign policy goals of the United States but not to the achievement of immediate objectives (S90B.00R/12-1151).

³ Not printed.

General observations

In a predominantly agricultural economy torn first by war then by insurrection the first needs have been rehabilitation of farming and transportation. The poor living conditions which most of the people endure in common with the rest of the area have called at the same time for basic measures of social welfare to build up the people's confidence in their government and their will to make sacrifices, if necessary, for their independence and individual rights. In the formulation of an aid program that would start with these fundamental requirements and accord with the Burmese Government's socialist philosophy, stress was laid on agriculture, transportation, health, education and native crafts. Most of the ECA projects already launched or being formulated are for assistance in these fields. At the same time ECA is to pay part of the cost of the services of a firm of American engineers Knappen, Tippetts, Abbett, McCarthy, which is under contract with the Burmese Government as consultants to survey mineral and industrial potentialities. It may prove feasible to make a start on mining lignite deposits and on hydroelectric power.

The aid projects are long term. They have not had an immediate impact except for transitory appreciation of commodities like raw cotton, cotton yarn, newsprint and medicines which ECA shipped to Burma to meet essential requirements, generate counterpart funds, and provide some immediate tangible benefit.

A portion of American aid in Burma meshes with and supports UN programs initiated at Burma's request by WHO, UNICEF, FAO, ILO, UNESCO and ECOSOC. In general ECA furnishes supplies which UN technical assistants need for their programs.

Wherever desirable, the aid projects call for training of Burmese at home and abroad to carry on improvements in the years to come.

The aid program is in its early stages. The ECA agreement was signed on September 13, 1950.⁴ The STEM mission was established in the latter part of 1950 and is only now reaching full strength. The first half of 1951 was largely devoted to formulating aid projects with Burmese officials and securing the approval of the Burmese and American Governments. Some projects are still in the embryo stage. American technical assistants have been in Burma a relatively short time. A number have not arrived and some have not yet been recruited. It has been undesirable that they come before arrival of the supplies they need. The flow of supplies in any quantity is only just beginning. The arrival of members of the mission and technicians has entailed numerous difficult administrative problems which have taken up a large share of the time of the Embassy and the Mission. A large

⁴ For an announcement concerning the agreement, see Department of State *Bulletin*, September 25, 1950, p. 500.

part of the time of STEM officers has been spent on detailed budget reporting requirements and housing problems. Administrative matters and personnel problems have so dominated the picture that it has been difficult to put these out of sight and objectively measure and evaluate the progress of the program in terms of our foreign policy. The program is so new that it is perhaps too early to draw conclusions as to its success.

The dollar allocation to the ECA program in FY 1951 was \$10,400,000. The expected allocation for FY 1952 is \$14,000,000. The tentative figure for FY 1953 is \$21,000,000. The figures for 1952 and 1953 must cover Point IV educational projects, five of which were drawn up early in 1951 but not acted upon because of the Burmese Government's reluctance to exchange notes. These proposals were closely related to ECA projects. They have now been turned over to STEM for such action as proves feasible. Their total estimated cost is \$354,000. The dollar costs do not include non-program expenditures for the compensation, travel outside of Burma, and administration of the STEM mission. Over and above the \$14,000,000 which represents the estimated dollar cost of the FY 1952 program, it is estimated that there will be expenditures in Burmese rupees equivalent to \$29,083,000. Burma's share of program expenditures will thus be about twice the American share. About 16% of local currency costs in FY 1952 will be met with counterpart funds. The rest will be from Burmese Government appropriations. This shows that the aid program is a joint venture to which the Burmese Government will make a large contribution and in which Burma has an important stake.

The projects are balanced and cover a broad front. If they prove successful individually their benefits should react favorably upon the whole economy producing gains outside the immediate sphere of each project. Early experience has shown that one project cannot make much headway alone. Preventive and curative health measures produce only limited and temporary benefits if the people concerned do not receive some education and training at the same time and if they cannot produce more to increase their earnings and gradually improve their standard of living.

It should be a source of satisfaction that a real effort has been made to development with the sums that are being made available a program that is sound from this point of view. It is questionable, however, whether the program contributes to our political objectives at this time. To reach the masses and lift the dead weight of centuries of low living standards is a tremendous undertaking. The benefits may not be very widely felt for years. Is there time? Before an attempt to answer this and see if a few quick action projects with strictly limited objectives of immediate political value would not be more effective in

the present critical state of affairs it is necessary to review factors which limit and retard the program other than the internal strife and prevailing fears and suspicions mentioned at the outset.

Limiting factors

Only projects requested by the Burmese Government can be undertaken. The Government may reject or modify our proposals in a sense which damages their effectiveness from our point of view. There is a possibility that a new government of more leftist tendencies will terminate the economic aid agreement and hence the entire program.

The Government's lack of experienced personnel places an extra burden on STEM which has to draft the project proposals and await the time consuming process of review, amendment, and approval before sending the projects to Washington for approval there.

Attacks by the Communist opposition and fear that publicity will make Communist China and Russia think that Burma has abandoned neutrality and sided with the "Anglo American bloc" have dammed up the flow of information and deprived the program of the political benefits that might be derived if the Burmese leaders who recognize the needs and the advantages were to make a genuine and continuing effort to support the program publicly, explain it to their people, and defend it against unwarranted attacks and misrepresentation. As it is the publicity is reduced to a trickle of official handouts and the program is not widely known or understood. Our information officers are continually striving to make the program better known and to eradicate misconceptions but the number of Burmese who are helping or want to help appears small to the officers of the Embassy who have been studying and trying to analyze the effectiveness of the aid program.

While not precisely a restricting factor, the following considerations have a bearing on the scope and psychological impact of the aid programs. Burmese officials working on the aid program with STEM concur in the principle that imports of commodities to generate counterpart funds should be not merely consumer goods but supplies which will stimulate constructive development projects. Raw cotton for the government spinning and weaving factory will be the principal item in this category in FY 1952. In FY 1951 commodities imported for sale were cotton yarn, raw cotton, newsprint, and antibiotics. The importation of raw cotton has been criticized as an artificial stimulus to an uneconomic enterprise. The costly government spinning and weaving factory is one of the major undertakings of the Socialist government. It pays for its raw cotton and its payments for ECA American cotton are turned over to the counterpart funds but

the factory has been operating at a loss. Another sound principle observed which may nevertheless prove a delaying or limiting factor is that, the program should not, in general, include projects which will produce revenue. It is thought that such projects should properly be financed by loans. Burma has now joined the World Monetary Fund and the IBRD. Well planned revenue producing projects might eventually be financed by an IBRD loan or even a loan from the Import-Export Bank. But for the present these are only somewhat remote possibilities.

A portion of program dollars is allocated to projects undertaken or to be undertaken by UN agencies at Burma's request. These include WHO and UNICEF health and maternity and child welfare, FAO forestry and livestock disease control, ILO technical or vocational training, UNESCO educational or training projects, an ECOSOC technical assistance to handicraft and cottage industries. The ECA contribution, apart from coordinating its work with the UN agencies, is mainly supplies. To the extent that UN aid is sought by Burma and granted the sphere of exclusively American aid is reduced and the prospects of appreciation of the American contribution, direct and indirect, correspondingly diminished. It is doubtful if the extent of America's contribution to UN projects is widely known in Burma. Helpful as the projects may be and much as they may strengthen Burma's faith in the UN there is the question of whether the UN projects contribute to our current political objectives. It is important to remember, however, that if the UN proves an effective source of aid the Burmese Government could turn to it more freely than it feels it can to any single nation or group of nations such as the British Commonwealth in whose Colombo plan Burma does not wish to participate. The UN might prove the most effective agency for the long range activities necessary to give Burma the strength and unity to preserve her independence.

Military aid aspect

The Burmese are willing to buy arms and military equipment from us (or receive them as grants). They are unwilling to admit controls such as inspections and end use checks. They have the British Military Mission and do not desire an American one. The Government is unwilling to give any undertaking that might be interpreted as a political commitment although it recognizes its need of aid. Its attitude toward military as well as other aid is governed by a determination not to receive help in a volume or of a type which would allow leftist opposition elements to come to power or China to demand a show-down on an allegation of a sell-out to the "capitalist imperialists".

Consequently our aid program cannot for present be expected to include much military assistance or economic aid of military value to the United States.

Note on Burmese viewpoint

Marshall Green ⁵ wrote Bob Acly on November 19 from Stockholm about a conversation he had there with U Aung Than ⁶ (Bo Set Kya). The paragraph below is quoted as illustrative of the Burmese attitude. U Aung Than was one of the first Burmese leaders to appreciate possible benefits of economic aid from the United States and was instrumental in the prodding of Burmese officials to get together, draw up tentative proposals for a program, and cooperate with the economic mission which came to Rangoon in March 1950 under the leadership of the Honorable R. Allen Griffin.⁷ Mr. Green wrote as follows:

General Aung said that Burma needs ECA assistance but will not compromise her neutrality in order to continue to receive such assistance. He later remarked that the State Department would surely be able to hit on some formula for continuing ECA aid without Burma having to compromise her present policy or having to restrict her present negligible trade with China.

⁵ Second Secretary of the American Embassy in Sweden.

⁶ A leading member of the anti-Facist People's Freedom League.

⁷ Director of the Far East Program Division, Economic Cooperation Administration. Mr. Griffin had headed a survey team which visited Southeast Asia in March and April 1950, to develop recommendations regarding initial economic and technical aid to the area. For documentation on the Griffin Mission and related activities, see *Foreign Relations*, 1950, vol. vi, pp. 1 ff.

790B.00/12-2051 : Telegram

The Chargé in Burma (Day) to the Secretary of State

CONFIDENTIAL

[RANGOON,] December 20, 1951— 11 p. m.

593. Burmese Government has granted Dr. Seagrave permission return to hospital Namkham upon his written undertaking to leave the Shan State when authorities there require him to do so.

PermSec FonOff told me in confidence PriMin, FonMin and Home Min had to overcome strong opposition in quarters not specified but believed military. Consequently believe publicity to decision in Burma undesirable though desirable in US in interests Burmese American relations. Seagrave should reach Namkham before Christmas.

DAY

Lot M 88, Box 160

*Draft Position Paper on Burma Prepared by the Department of State*¹

SECRET

[WASHINGTON,] December 20, 1951.

TCT-D-5/7b

BURMA

PROBLEM

To determine what, if any, action the British and American Governments should take to improve the seriously deteriorating situation in Burma.

U.S. OBJECTIVES

The U.S. seeks an increase in the will and ability of the Burmese Government and people to halt the spread of Communism and to defend the country against Communist subversion or invasion.

PROBABLE POSITION OF THE U.K.

From the views expressed by various British officials, we understand that the British objectives are the same as our own in this respect.

Burma

Position to be presented: (On U.S. initiative)

I am sure that we agree on the strategic importance of Burma. It is to our mutual interest to keep this "soft spot" of Southeast Asia from falling under Communist control. Furthermore, the Government and people appear apathetic to the Communist threat, and this makes it difficult to find specific ways in which we can help.

I believe that the situation is serious enough to make it wise for British and American officials to get together as soon as possible and discuss what our two countries might do, either individually or jointly, to accomplish our objectives in Burma. We should then consult with Burmese officials to see what steps can be taken. My advisers have made several tentative suggestions as to what our people might want to discuss. One suggestion is that they might want to consider ways of increasing Burma's military strength by supplying more war materials to the Burmese forces. Another suggestion is that British and American information programs in Burma might also be re-examined to see what can be done to make them more effective during the present crucial period. A final suggestion is that our representatives might want to look into whatever possible joint or coordinated action may be necessary in case the Communists should succeed in taking over most of Northern Burma in the next two years.

¹ This paper was prepared for the forthcoming talks between British Prime Minister Winston Churchill and President Truman, January 7-8, 1952. This document was one of many drafted by a special Steering Group in anticipation of these meetings.

DISCUSSION

British and American officials generally agree that the situation in Burma is deteriorating at an alarming rate, that Burma is the "soft spot" of Southeast Asia and that because the Government and people of Burma are apathetic to the Communist threat and highly suspicious of British and American motives, it is difficult to find any way in which we can render assistance. However, it would appear that by a joint study of the problem we might discover ways in which our respective policies could be made more effective in increasing the will and ability of the Burmese to resist Communist pressures.

Among matters which might appropriately be discussed are:

(1) The possibility of increasing Burmese military strength by augmenting the supply of war materials to the Burmese armed forces and by improving the effectiveness of the British Services Mission. The British might wish to consider the feasibility of making the Mission more acceptable to the Burmese by changing its composition to include elements from other Commonwealth nations, especially Oriental.

(2) A re-examination of our respective information programs to determine whether they could profitably be changed to have a stronger impact during the present, crucial two-year period.

(3) An exploration of possible joint or coordinated action in case the Communists should be successful in their declared intention of establishing control over a substantial part of Northern Burma within the next two years.

890B.43/12-2751

Memorandum by the Acting Assistant Secretary of State for Far Eastern Affairs (Allison) to the Acting Secretary of State

SECRET

[WASHINGTON,] December 27, 1951.

Subject: ECA Proposal to Use Counterpart Funds for Strengthening Anti-Communist Activities Through Buddhist Projects in Burma.

Problem:

To develop a State Department position regarding the expenditure of ECA counterpart funds in Burma to aid in the construction of buildings to house a Buddhist university at Rangoon.

Discussion:

ECA has proposed as a means of strengthening the moral stature of the Burmese people and thereby combating Communism that it authorize the use of counterpart funds in support of a plan drawn up by Thakin Nu, the Prime Minister, to increase the effectiveness of the Buddhist religion. This plan would cost 5,400,000 rupees (the equivalent of U.S. \$1,347,368.42). These funds are under the joint

control of the Government of Burma and the U.S. Government and require no appropriation or treasury disbursement authorization. The money would pay for the construction of buildings for a Buddhist university at Rangoon. For a short time prior to the establishment of the university, the buildings would be occupied by the Sixth Great Buddhist Council (comparable to the Council of Trent in the Christian world), to be held in 1954 on the 2,500th anniversary of the enlightenment of the Lord Buddha. In view of the political implications of this project, ECA has requested the Department to state its position in regard to it.

Eighty-five percent of the people of Burma are devout Buddhists. Their religion is the major factor of unity among the Burmese in their present politically fragmented condition. For some time the present Government of Burma has realized that Buddhism, with a more effective organizational structure, would be the most important factor in combating Communism. A successful Sixth Great Buddhist Council would give a tremendous impetus to this movement and would have a similar effect in other Buddhist countries. The announcement of this plan could be expected to have an immediate effect on the attitude of the government and the people of Burma toward the United States. It would constitute a striking demonstration of the fact that the United States is interested in the people of Burma as such and not in Burma as a pawn in a power struggle with the U.S.S.R.

Following the meeting of the Great Council, the buildings would be used to house a religious university, with the object of making Rangoon a center of Buddhist scholarship and thus securing a continuing effort from the impetus begun by the Great Council.

When this project comes to the attention of certain religious groups in this country it can be expected to arouse considerable adverse comment. It is felt, on the other hand, that the benefit to be derived from this project outweighs possible adverse considerations for the following reasons:

- (1) It offers an opportunity to support a scheme which the Prime Minister and the Burmese Government enthusiastically endorse and which would strengthen them in their efforts to promote cooperation with the West;

- (2) It would be the most effective way in which we could counteract the influence of Communism in Burma;

- (3) The project is completely consistent with the objectives of the American Government to strengthen Burma as a partner in the free world.

- (4) The counterpart funds to be used are in rupees, which can only be spent in Burma and only on projects in which the Burmese Government concurs.

The project has the enthusiastic support of Ambassador Key (Tab A),¹ appropriate ECA officials (Tabs B and C),² and interested officers in the Bureau of Far Eastern Affairs.

Recommendation:

That you approve that the Bureau of Far Eastern Affairs indicate to ECA that State Dept. supports the project to finance the construction of buildings to house a Buddhist university and the Sixth Buddhist Council.³

Concurrences:

P—Mr. Barrett—see memo of December 5, attached.⁴

As the Ambassador, the Bureau and ECA have all considered the factor on which the reservations of the P area were based and still feel that the project should go ahead, Mr. Barrett has agreed to withdraw his reservations.

¹ Not printed.

² Neither printed.

³ On January 9, 1952, the Secretary of State sent a memorandum to the Director of Mutual Security (Harriman) to inform him that the Department of State supported the use of ECA counterpart funds in Burma to aid in the construction of buildings to house a Buddhist university at Rangoon (S90B.43/12-2751).

⁴ Not printed. In that memorandum, Mr. Barrett, the Assistant Secretary of State for Public Affairs, informed Mr. Allison that he was willing to withdraw his reservations about this project, which had been based on the danger of American support being misinterpreted or misunderstood in the United States (S90B.43/12-551).

790B.00/1-252

The Secretary of Defense (Lovett) to the Secretary of State

SECRET

WASHINGTON, January 2, 1952.

DEAR MR. SECRETARY: Reference is made to Department of State draft position paper TCT D-5/7b entitled "Burma".

The Joint Chiefs of Staff concur generally in the *Position to be Presented* in this paper but strongly recommend certain modifications in that section of the paper and elsewhere to avoid the implication that the United States might entertain planning which would directly involve this nation in Burma in certain eventualities. Other recommendations are made in the interests of clarity, preciseness, and completeness. These views are contained in the inclosed memorandum of the Joint Chiefs of Staff, which have my concurrence.¹

Sincerely yours.

ROBERT A. LOVETT

¹ The Department of State's special Steering Group accepted the recommendations of the Joint Chiefs of Staff and issued the approved Position Paper on Burma on that same day designated, TCT D-5/7c.

[Enclosure]

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Lovett)

SECRET

WASHINGTON, December 28, 1951.

Subject: Department of State Draft Position Paper on "Burma"
(TCT D-5/7b)

1. The Joint Chiefs of Staff have reviewed the Department of State draft position paper entitled "Burma" (TCT D-5/7b, dated 20 December 1951) which was enclosed with your memorandum dated 24 December 1951.

2. The Joint Chiefs of Staff concur generally with the section of the subject paper entitled "Position to be Presented: (On U.S. initiative)." They recommend, however, that, in the interests of clarity, preciseness, and completeness, this section be revised to incorporate expression of the following views:

a. The United States considers that Burma is an area of British strategic responsibility;

b. The fall of Burma to communism would threaten Pakistan, India, and Ceylon, as well as the remainder of the Southeast Asia area;

c. The United States will discuss political, psychological, and limited economic support (including minor military assistance short of the commitment of any United States armed forces or military personnel) to the British in their programs designed to counter the threat of communism or communist aggression in Burma; and

d. In the light of:

(1) the current world situation;

(2) the degree of availability of the forces of the non-communist world for operations in other areas; and

(3) the attitude of the Burmese toward the United States and toward the United Kingdom,

the United States considers that it would be appropriate for British programs in Burma to receive active support from other Commonwealth Nations, especially Pakistan, India, and Ceylon. Such support would be expected to include, although not be limited to, changes in the composition of the British Service Mission to Burma in order to reflect the interest of the Commonwealth Nations in the integrity of that Nation.

3. Further, and in any event, the Joint Chiefs of Staff recommend the following modifications of the "*Position to be Presented*" as appearing in the basic paper in order to avoid the implication that the United States might entertain planning which would directly involve this nation in Burma in certain eventualities:

a. The first sentence of the second paragraph should be changed to read as follows:

"I believe that ~~the situation is~~ *conditions are* serious enough to make it wise for British and American officials to get together as soon as possible and discuss ~~what our two countries might do, either individually or jointly, to accomplish our objectives in Burma~~ *the situation.*"

b. The fourth sentence of the second paragraph should be revised to indicate that any increases of war materials supplied to the Burmese forces from United States sources would be very limited; and

c. Delete the last sentence of the second paragraph.

4. In order that the section of the subject paper entitled "*Discussion*" conform to the views expressed in paragraph 3 above the Joint Chiefs of Staff recommended that subparagraph (3) under "*Discussion*" be amended to read as follows:

"(3) An exploration of possible ~~joint or coordinated action situations that might arise~~ in case the Communists should be successful in their declared intention of establishing control over a substantial part of Northern Burma within the next two years."

5. In the interest of completeness, the Joint Chiefs of Staff suggest the addition of the following new paragraph at the end of the "*Discussion*:"

"This discussion does not take into consideration the possibility of Chinese Communist aggression in Southeast Asia. The United States policy under this eventuality is now undergoing review."

For the Joint Chiefs of Staff:

OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

THE CHINA AREA

[Documentation concerning United States relations with the Republic of China and policies toward the People's Republic of China is scheduled for publication in volume VII. Material on the question of Chinese representation in the United Nations is scheduled for publication in volume II.]

INDOCHINA

POLICY OF THE UNITED STATES WITH RESPECT TO INDOCHINA: THE EXTENSION OF UNITED STATES MILITARY ASSISTANCE TO FRENCH UNION FORCES; UNITED STATES ECONOMIC, MILITARY, AND DIP- LOMATIC SUPPORT FOR THE ASSOCIATED STATES OF INDOCHINA¹

751G.00/1-151 : Telegram

The Minister at Saigon (Heath)² to the Secretary of State

SECRET NIACT

SAIGON, January 1, 1951—midnight.

1157. With reference to Deptel 813, December 29.³ Battle for Indochina and possibly all SEA being fought in Tonkin at this moment. Assumption unavoidable that sooner or later and probably soon Chinese Communist will invade IC with organized units. In this situation there are additional steps which we can and must take immediately and within next six months if IC is to be held. Of measures recommended in part 2 Legation would attach highest priority to: (1) Acceleration and increase of existing programs of military aid; (2) Pressure on Bao Dai⁴ to form and lead government of national union which can take effective action and, (3) Immediate organization by French and IC states of counter-guerrilla and resistance forces to carry war to enemy-held territory.

Part 1 gives our present views on the political and military situation and part 2 lists new and additional measures which should be given immediate consideration.

I(A). At end of 1950 IC military situation characterized by following salient factors:

1. Entire north, except shrinking Hanoi-Haiphong beachhead, must be written off for time being with additional possibility Hanoi itself will be lost or abandoned, all without mass intervention by Chinese Communists;

¹ For previous documentation, see *Foreign Relations*, 1950, vol. vi, pp. 690 ff. For additional documentation on U.S. policy with respect to Indochina in 1951, see U.S. Department of Defense, *United States-Vietnam Relations, 1945-1967*, 12 vols. (Washington, Government Printing Office, 1971), Books 1 and 8.

² Minister Donald R. Heath and the staff of the Legation at Saigon were accredited to the Kingdoms of Cambodia and Laos as well as to the State of Viet-Nam.

³ In telegram 813 to Saigon, December 29, 1950, the Department requested the Legation's suggestions on additional steps which the United States might take in the immediate future to strengthen Indochina. The Legation was also asked for its general analysis of the situation. For text of telegram 813, see *Foreign Relations*, 1950, vol. vi, p. 958.

⁴ Chief of State of Viet-Nam; former Emperor of Annam.

2. Policy must be based on assumption of invasion by Chinese as organized units from now on. Chinese Communist units plus VM could within six months liquidate Haiphong, obtain control of IC south at least to Vinh. Concurrently VM activities and terrorism may increase in south sufficiently to contain French and Viet forces there. Combined VM forces would then be in position directly to assault south Vietnam, or turn against Laos, Cambodia, Burma and Thailand for forced or negotiated surrenders.⁵ Situation would not be lost at this point but with VM installed in Hanoi, one of historic Asian capitals and city which typifies Viet nationalism to much greater degree than Saigon, with Chinese and VM troops supreme in north, and with Chinese and Soviet representatives installed in capital of government they recognize, weight of manpower, logistics and morale would then be in Sino-VM favor and defense of IC and SEA would enter final phase, in truth, last ditch affair.

(B) Most important policy aspects IC political situation at end 1950 were:

1. Organic relationship between Associated States (AS) and France, while not yet contending Viet nationals had more satisfactory and viable framework than at any previous time since end last war. Transfer substantial economic sovereignty to AS at Pau,⁶ decision to activate true national armies, assurance drastic reduction number French officials in IC, cession all local revenues to AS have established new high water mark IC progress toward independence. Good will which might normally have attached to French as result this body of concessions is, however, marred by Viet suspicions that VM strength, menace of Chinese Communists, imperative of French position in Europe contributed preponderantly to grants of last two months. Volatile Viets who only recently complained French would never leave now have begun to doubt French intent to see war in IC through. Had French willingly made two years ago 1950 concessions and had Bao Dai and his government had two years experience under new formula, there would have been radically different IC situation. Basis political question today is whether there is time enough to utilize new political framework to mobilize mass allegiance behind Bao Dai.

2. Viet Government has thus far failed to display any real dynamism and has not yet won confidence of public in its ability to provide security or welfare. The Chief of State has yet to exhibit sustained energy or the know-how of leadership, its cabinet lacks stature, color, and broad representativeness; its administrators are generally inexperienced and frequently venal. There have, however, been occasional flashes of energy; in Huu,⁷ Giao⁸ and Tri,⁹ Bao Dai has a

⁵ For additional documentation on U.S. concern regarding the Communist threat to Southeast Asia, see pp. 1 ff.

⁶ The interstate conference at Pau, France, attended by representatives of France and the Associated States of Indochina, ended on November 27, 1950, after almost five months of negotiations. For texts of ten quadripartite agreements concluded at the conference and signed on December 16, 1950, see France, Direction de la Documentation, *Notes et Etudes Documentaires*, No. 1425 (January 24, 1951), pp. 1-38.

⁷ Tran Van Huu, Prime Minister of Viet-Nam.

⁸ Phan Van Giao, Governor of Central Viet-Nam.

⁹ Nguyen Huu Tri, Governor of Tonkin.

second level of recognized leaders; the government senses some of its inadequacies and is turning increasingly to US for advice and assistance; and, very importantly, the Viet military forces, armed religious groups and ethnic minorities have stood firm with Bao Dai and display will to fight.

3. Lack of unity among IC's neighbors within SEA and divergencies in Far East policy of great powers are further weaknesses in IC situation. These in turn make UN position re Chinese aggression in IC equivocal. This general lack of cohesion and clarity in west is today one of the Communists' greatest advantages in its SEA march.

(C) Economic situation at end 1950 as measured by traditional indices no worse than for past 18 months. However, attention called reported pressure on exchange authorities convert piasters into francs, slackening rate imports particularly in north, and near-panic conditions latter area with French trying dispose of stocks in real estate in anticipation VM victory. Military success warranting belief French and Bao Dai regimes could remain Tonkin might reverse these negative trends. Basically mass IC are relatively better off re food, shelter and clothing than many other Asiatic peoples. Only breakdown in transportation such as occurred 1946 in Tonkin could bring about famine conditions. On other hand economy for decades has been underdeveloped with chronic state of semi-unemployment in north and lack full employment in south, while for last 4 years its balance of international payments has been balanced only by massive imports financed directly or indirectly by French payments for military costs, for other budget deficits, etc. To attack either of latter two problems, however, is long-term project requiring provision capital, improvement agricultural practices, etc.

Only important immediate emergency economic problems would appear to be: (1) Handling of growing influx of refugees, particularly in north and (2) financing additional military burdens as expected to incur, while building up their national armies early 1951. Hitherto burden military expenses almost entirely French, but with signing Pau and December 18 [8] military convention,¹⁰ states are given all public revenues from IC sources and in turn expected by French carry appreciable cost of national armies. Out of total resources of about 2.1 billion piasters for instance, Viet expected by French to earmark about 500 million and secure another 500 from reduction other expenditures, increasing tax yields, and levying additional taxes. These conditions might cripple VN government at start to say nothing of drastically limiting necessary social and economic reform progress whose absence hitherto one of Bao Dai's greatest weaknesses.

¹⁰ A French-Vietnamese military convention signed on December 8, 1950, established a Vietnamese national army by effecting the transfer of certain units from French to Vietnamese control.

Accumulating evidence also indicates at least some Viet business and political "leaders" looking forward assumption formerly French economic apparatus of *dirigisme* in order line own pockets and that whole transfer governmental and economic powers may create serious problem for new governments due lack trained personnel and reluctance continuance rely on French advisers. Another Philippine situation clearly possible.¹¹

II(A). Military.

1. Immediate shipment all items requested by French in emergency list recommended Legtel 566 and later request for equipment of Viet army, Legtel 1077 of December 16 pouched Paris plus greatest expedition of possible shipment remaining fiscal year 1950 and fiscal year 1951 MDAP items.¹²

2. French must be convinced prepare or at least consent to preparation of counter-guerrilla and resistance organization for operation within and behind enemy lines, and for communications network in upper Tonkin. Correlation of such activities with systematic aid to Chinese Nationalists guerrillas in southern China provinces should be established. So far counter-guerrilla war and implantation of resistance organization have been slighted by French; nor is there any sure indication that De Lattre¹³ will move at an early date to remedy this deficiency.

3. Area military conference of at least US-UK-France to be held earliest possible date to explore possibilities unified strategic concept. Almost year has passed since Legation recommended joint staff talks and systematic intelligence exchanges within area and from time to time suggestion has received various endorsements. View deepening IC crisis conference should no longer be delayed.

4. Legation believes projected MDAP allocations for Title III countries¹⁴ 1952 should be rescanned determined whether IC which must meet primary threat and where fate all other SEA countries will in large measure be determined could receive increased supplies.

5. If financial aid for national armies necessary under conditions posited part I Legation recommends serious consideration to grant direct financial aid.

6. If Chinese Communists intervene in open aggression Legation assumes UN and US must assist French and AS. Form of this assistance in primary stages would be air units and carrier strikes. In meantime Legation would urge review decision no US carrier now available for transfer to French in IC and immediate earmarking carrier units for eventual US operations against Sino-VM. Readiness

¹¹ For documentation on U.S. relations with the Philippines, see pp. 1491 ff.

¹² Telegrams 566, October 16, 1950, and 1077, December 16, 1950, from Saigon, are not printed. For other documentation on French requests for military assistance, see *Foreign Relations*, 1950, vol. VI, pp. 690 ff.

¹³ Général d'Armée Jean de Lattre de Tassigny, French High Commissioner in Indochina; Commander of French Union forces in Indochina.

¹⁴ Reference is to the Mutual Defense Assistance Act of 1949 (Public Law 329, 81st Cong.; 63 Stat. 714) as amended in 1950 (Public Law 621, 81st Cong.; 64 Stat. 373) under which military assistance was being programmed. Title III, Section 303, authorized aid to countries in the "general area" of China.

these units and ability for them become operational in IC immediately on Chinese invasion would be incalculable benefit.

7. Legation recommends acceptance principle direct equipment local urban police and provincial guard units under MDAP and with MAAG observation.

8. On assumption imminent Chinese invasion US should promptly recommend to French air reconnaissance Chinese border area including Hainan. French now operate under strict orders confine flights eight kilometers this side northern frontier.

9. US should make available air and surface facilities to assist in evacuating large number important Tonkinese officials and private citizens some of whom could constitute useful resistance leaders.

10. MATS route through Saigon approved by competent officials more than month ago should be promptly instituted to provide east-west air lift critical supplies.

(B) Political.

1. In view new attributes sovereignty conferred on AS at Pau, French should promptly sponsor UN membership for AS, Cambodia, Laos and Vietnam. While applications may not prosper it should be made clear that only Soviet world is opposed.

2. Immediate consideration should be given to ways of utilizing new UN facilities such as observation committees in IC situation. While access to VM territory doubtless would be denied, air observation of border movements could be undertaken.

3. Renewed efforts should be made by US and UK diplomacy to obtain recognition AS by Burma, Indonesia, Philippines, India, Pakistan. With Chinese aggression in Korea and Tibet,¹⁵ Communists need for resources of SEA, and militant revolutionary expansionism of Peking, IC's neighbors should be asked to recognize threat to area and to each of them Communist success in IC would represent. At same time, transfer of economic powers including 100% revenues to AS plus formation national armies should dispel much of their earlier objections to French Union formula.

4. Renewed attempt should be made align US-UK-French policy in FE. If this not practicable, clear understanding should be reached on IC. Legation is particularly disturbed lest lack of understanding should facilitate French or UK-French negotiations with Chinese Communists. Legation not convinced that preliminary explorations this possibility were insignificant (London's 3613, December 28¹⁶). . . . [It has been] stated to Legation officer informally . . . that British are pressing French to negotiate. Rumors same effect are beginning circulate locally. Whole matter may be Cominform propaganda but it serves emphasize need for urgent tripartite consultations on IC. This mission uninformed re Truman-Attlee conversations on IC.¹⁷

¹⁵ Documentation on the Korean War is scheduled for publication in volume VII; see also *Foreign Relations*, 1950, volume VII. For documentation on the Chinese invasion of Tibet, October 7, 1950, see *ibid.*, vol. VI, pp. 256 ff.

¹⁶ Not printed.

¹⁷ President Truman and Clement R. Attlee, Prime Minister of the United Kingdom, met in Washington from December 4 to December 8, 1950, to discuss the situation arising from Chinese Communist intervention in Korea. Indochina did not receive extensive consideration. The record of the first meeting, Decem-

National:

5. Renewed effort should be made to animate Bao Dai to sustained and vigorous effort of leadership. Whatever excuse may have existed in past to effect that Bao Dai could not link his future to government not truly sovereign no longer exist today after Pau transfers and in face Chinese menace.

6. US will exert pressure for constitution broadened national unity government which would forthwith announce plans and proceed to implantation liberal program social educational, and economic betterment (with present and if necessary increased ECA funds) and would set in motion machinery for institution representative organs.

7. US will indicate availability under approved circumstances forms of assistance to facilitate defections from VM. Legation suggests this must be activity another agency.

(C) Economic.

View nature AS economic problems sketched part I, present STEM program, in character if not in quantity or rate, regarded as reasonably satisfactory. Though its importance should greatly increase in 1951 as organization and planning period of 1950 is translated into major deliveries of current fiscal year, every effort should continue be made speed procurement and shipment programmed items. In next six months military effort must be given priority, although in long run economic assistance through capital development and improved technology necessary put AS on truly sound economic base.

Emergency economic needs are: (1) US may have to finance anticipated AS budgetary deficits 1951 as explained part I, if French unwilling or unable to do so, (2) preparations for assisting in handling northern refugees if large numbers make way south, and (3) settling soonest with French issue of US being able in spite March 8 accord furnish advisers AS governments to supplement, not supplant French, in order assist more efficient and honest administration, lack of which may contribute discourage the whole-hearted support for Bao Dai's government which is so badly needed.

(D) Informational.

This activity should approach if not parallel importance our military and economic programs. The executive staff of USIS now consists of two junior officers. The focus should shift from "sell America" to "hit the enemy". We must expand our use of all media, employing materials collected and edited locally. The program outlined by Goodfriend mission should be backed with funds and personnel. Efforts to insure sympathy of youth, labor and religious groups should be energetically promoted. Viets must be coached by American technicians in giving Viet government "new look"; uniforms, stamps, seals, gov-

ber 4, does attribute the following to Secretary of State Acheson, however: "If the Communists are successful in Korea, this may so weaken the French in Indochina that they will pull out. He doubted if any one of the President's advisers would urge him to intervene in that situation." For the record of the first meeting and other documentation on the Truman-Attlee conversations, see *Foreign Relations*, 1950, vol. III, pp. 1789 ff. For additional documentation on the conference, see *ibid.*, vol. VII, pp. 1237 ff.

ernment forms, street signs, money, etc. As long as Bao Dai is our candidate he must be ingeniously "sold"—an American advisor should be stationed with him. Bao Dai should issue now first of series of "last calls" to erring VM nationalists—he should announce, in his name, projects for building, "two year plans" and the like.

Political warfare should be aggressively pushed—playing on dispersed nature Viet Minh, promoting discord, defeatism, confusion, using all media borrowed or bought—radio, pamphlets, press, agents, word-of-mouth—with all shades of allegiance and experts for these activities should not be further delayed. Legation should inaugurate cooperation with projected Franco-British joint committee for psychological warfare Saigon.

Certain of foregoing recommendations will involve expenditures for which appropriations may not now be earmarked for IC. Legation final recommendation is for all interested US agencies survey current funds to determine if special deficiency appropriations will be needed for defense of IC in next six months. If they may be, we recommend promptest submittal necessary bills.

MAAG, Service Attachés, STEM concur in foregoing.

Department pass Paris; sent Department 1157, repeated info Paris 544, Hanoi unnumbered. Department please pass other posts as appropriate.

HEATH

751J.00/1-251

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, January 2, 1951.

No. 408

Subject: Viet Minh and counter-guerrillas in Laos

On the occasion of my trip to Vientiane and Luang Prabang to present my letters of credence to King Sisavang Vong of Laos, I had long talks with the Prime Minister, Excellency Phoui Sananikone, and Crown Prince Savang (refer Legation Despatch No. 405 of January 2, 1951)¹ concerning the creation of provincial counter-guerrilla forces for which armament was requested by the Laotian and French Governments (see Legtels No. 857, November 14 and No. 942, November 25, 1950).² I was told that the French were finally able to provide somewhat heterogeneous armament, and groups totally [totalling] some 4,000 men are actually in the field. Prime Minister Sananikone, while expressing confidence that this new force would diminish rural and urban terrorism and sabotage by roaming Viet Minh bands, feared that the Viet Minh might simply increase the number and size of these bands.

¹ Not printed.

² Neither printed.

Prince Savang, however, appeared confident that these counter-guerrilla movements would in a very short time, perhaps within a month, clear central and northern Laos of Viet Minh marauders who now operate in rather small groups of 20 to 50 men. In the south, he said, it would be somewhat more difficult because the Viet Minh are able to send in larger units and the local authorities and population are less patriotic and loyal to the throne than in the center and north. In the extreme northern part of Laos, several bands have been roaming around apparently with the idea of investigating Laos as a possible invasion route, locating sources of food, and practical transportation routes. Prince Savang was under the impression that neither Viet Minh forces nor Chinese Communists who might invade would attempt to seep southward through Laos due to the difficulty of the terrain, the lack of food and the hostility of the population.

DONALD R. HEATH

751G.00/1-551 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET PRIORITY

SAIGON, January 5, 1951—10 p. m.

1181. 1. At his invitation, I saw Bao Dai at Dalat yesterday for a yearend survey outstanding problems. I was accompanied by Blum,¹ STEM chief, who had been asked to set up medical and agricultural aid program in southern high plateau which like northern border zone territories and minorities are crown territories under direct rule of Bao Dai and not central or regional governments. Bao Dai has an interest and feeling of authority over these regions and their tribesmen quite distinct from his attitude toward the settled parts of Vietnam. I had the distinct impression Bao Dai toys with idea, in case Viet Minh, with or without Chinese help, takes over the arable areas of Vietnam, of personally continuing resistance with tribesmen and his special mountain division in this wild area which he thoroughly knows from his hunting expeditions. He has been pushing STEM for an aid program for area. When De Lattre was in Dalat two days ago, Bao Dai persuaded the latter to promise French contribution of 25 million piasters toward 50 million piaster deficit in region's total budget of 61 million piasters. Viet Government would make up balance. Bao Dai complained that De Lattre's "Colonial-minded entourage" tried to persuade latter to withdraw or qualify promise.

2. To my question as to progress made in forming national army, Bao Dai said he had definitely decided to make Governor Giao chief of staff. He had been forced postpone this appointment, however, be-

¹ Robert Blum, Chief of the Special Technical and Economic Mission to Viet-Nam, Laos, and Cambodia.

cause of the bitter feud between Giao and Huu. He had to find a Defense Minister agreeable to both parties. Tri was the only man for position and Huu, who has gone to Hanoi for several days, will try to persuade him to accept the job.

3. To my inquiry when other Cabinet changes which sometime ago he told me were pending would be announced he replied it was extremely difficult to find the proper men. He had not, for example, been able to find a good man for Washington. He said in confidence he had more difficulty with his government than with the opposition. He would have to retain Huu for time being because if dismissed, Huu would start a separatist movement for Cochinchina which would probably find support from French who bitterly regretted ever having given up their former Colony to a unified Vietnam. Asked whether he would change director of information service, Bao Dai admitted that present incumbent was not up to the requirements of political situation. I remarked we had already extended facilities and equipment from both ECA and USIS to them and indicated Legation might be in position increase such assistance, if we could be assured it would be utilized imaginatively and energetically. Bao Dai said his information service was not reaching the people but it was difficult to find anyone really capable of heading the program. That was always the trouble. Even if the US were in a position to increase its generous aid to Vietnam, he, Bao Dai, would hesitate accepting it for he was not sure of finding men who could administer it honestly and effectively. I remarked I had been disturbed by rumors that officials of his government were hoping to utilize the grant of economic independence given by Pau accords to feather their own nests. This would create a most serious situation. We had seen our aid to the Philippines in part wasted by grafting officials. Vietnam, in a previous regime, had a system of censors designed to prevent and punish graft. I said I hoped he was taking steps to prevent any such corruption. Bao Dai replied that it would take a long period to establish a tradition of administrative probity in Vietnam.

4. Returning to question of an effective information service I remarked that, of course, much depended on his own actions and those of his government. I felt there should be both announcement and initial implementation of a social program capable of offsetting Viet Minh propaganda. American economic assistance provided a basis for such a program. As important deliveries arrive, or new activities of our aid program begin, they should be marked by public appearances and statements. Bao Dai and the Vietnamese Government could take essential credit for the accomplishments realized through American aid. We had not embarked upon our program of economic assistance in Indochina merely to get credit for American goodwill and generosity but with the idea of building up and raising prestige of a

Progressive Vietnamese Government. Our Legation publicity section would be glad to assist to that end. Bao Dai agreed to this thesis but did not volunteer how or when he would work for its accomplishment.

5. I went on to say that in view of the critical situation and his difficulties with his own government, it seemed to me indispensable that he take up residence in Saigon. He had informed me in our last meeting he was not going to press for the turnover of the High Commissioner's palace since De Lattre evidently did not want to surrender it and Bao Dai counted on friendly relations with De Lattre to accomplish Vietnamese aims, particularly the formation of the national army. I inquired of Bao Dai why he did not take up residence in the La Grandiere Palace or General Carpentier's ² house and speculated whether his temporarily occupying inferior quarters in Saigon might not hasten the turning over of the High Commissioner's palace already promised by Letourneau ³ and Pignon.⁴ I emphasized these observations were purely personal ones. I was without any instructions from my government to discuss the matter with him. I personally felt very strongly, however, that he could not manage affairs from Dalat. Bao Dai demurred he could not move down to Saigon until the French were ready to make the "elegant gesture" of voluntarily turning over the High Commissioner's palace to him. His Vietnamese subjects, he argued, would not understand his accepting inferior quarters in Saigon.

6. Bao Dai felt De Lattre was sincere in his desire to create a Vietnamese national army, to support Bao Dai's regime and to put up a real fight in the north. De Lattre was going to France in the middle of January to endeavor to obtain an extra division of French troops. Bao Dai thought that one division utterly insufficient reinforcement. He thought De Lattre and the French with encouragement of the British were harboring the illusion it would be possible to transform Mao Tse-tung ⁵ into a Tito.⁶ Bao Dai thought there was not a chance of such an occurrence. On the other hand, he did not believe that the Chinese would openly invade Indochina. We [*He*] indeed hoped that they would because then, and only then, could he really go to the Vietnamese people with a cause demanding their support. He thought it more likely that the Chinese would send in supporting troops and increased assistance but would keep Viet Minh formations in the actual line of attack. Already, according to Bao Dai's information, there

² Gen. Marcel Carpentier, Commander of French Union forces in Indochina, 1949-1950.

³ Jean Letourneau, French Minister for the Associated States.

⁴ Léon Pignon, French High Commissioner in Indochina, 1948-1950.

⁵ Chairman of the Central People's Government Council, People's Republic of China, and Chairman of the Central Committee of the Communist Party of China.

⁶ Josip Broz-Tito, Yugoslav Prime Minister and Minister of Defense; Secretary General of the Yugoslav Communist Party.

were 20,000 Chinese troops and officials in the northern border region. He had reports that at Langson there were 6,500 Chinese troops and that the political administrator was a Chinese woman Communist. (Note: Governor Giao in a later conversation said he did not believe more than a few Chinese were actually on Vietnam soil. He regretted that De Lattre had not yet decided to give French support to the formation of Vietnamese counter-guerrilla and resistance organization.)

7. This concluded the substantive aspects of our conversation. After leaving the palace, Bao Dai's Military Adjutant accompanied me to the airport. He is also nominally commander of one of the Vietnamese battalions in the north. Of his own volition he criticized the tactics being employed against the Viet Minh. He said that instead of fighting defensively, smaller groups must be organized to make raids at night and on holidays against Viet Minh communications and land detachment. They would need special arms and equipment for such operations. Regular military formations must be maintained for the defense of the cities and to meet Viet Minh orthodox military formation but formation of counter-guerrilla units should not be delayed. However, he said concurrently, there must be an increased effort politically to indoctrinate both troops and population. Viet Minh propaganda was latterly meeting with great success.

8. I was more than usually disappointed in this last conversation with Bao Dai. He expressed intelligent understanding and agreement with the measures which should be undertaken but there was no evidence of urgent determination and leadership to accomplish them. He is undoubtedly working on the formation of his army at Dalat and is consulting with a great number of people these days. I learned that the Cao Daist Pope was at Dalat the day of my visit and that several miles away resided General Quan Nam Hung, an old Vietnamese officer who was trained and served under Chiang Kai-shek.⁷ But with our reverses in Korea and new Viet Minh attacks in the north, the feeble public support and hope in Bao Dai's regime is becoming dangerously weaker. It is clear to me that Bao Dai is perfectly aware of this deteriorating situation but it is also perfectly clear that he has not yet arrived at a definite plan or urgent determination to correct it. I expect to see De Lattre today or tomorrow and return for further conversations with Bao Dai early next week.

I might add that I asked Bao Dai if he intended to go to Hanoi and he said yes but not immediately. His first trip must be made to Hue. He said showing that the imperial and Confucian family tradition is still strong in him despite his Western education that he was chief of the imperial family including 30,000 or 40,000 people. Sev-

⁷ President of the Republic of China.

eral members of the clan had been assassinated recently by Viet Minh. As chief of the clan he must make the required visits of condolences.

Department pass Paris. Sent Department 1181, repeated info Paris 551.

HEATH

751G.00/1-S51 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, January 8, 1951—1 p. m.

3853. Deptel S13, December 29 Saigon (repeated Paris 3480)¹ and Saigon telegram 1157, December 31 (repeated Paris 544).²

Embassy in general agreement with Saigon comments and recommendations but believes that two basic factors in Indochina situation should be kept in mind in considering Legation's recommendations:

(1) Principle of primary French responsibility in Indochina was accepted during conversations with French Government at Paris in May 1950 and Embassy believes that no action should be taken by US Government, in view its present and probable future commitments in other areas of world, which would tend to vitiate this principle. Some of Legation's recommendations, as for example with respect to direct financial aid for national army, underwriting Associated States budgetary deficits and US assistance in handling refugees from north, would appear, if adopted in toto, represent a trend toward breakdown of principle of primary French responsibility. Embassy's comment is directed not against specific recommendations of Legation but toward action which would have over-all effect of weakening principle of primary French responsibility in absence of any fresh decision on this point.

(2) Although Legation does not so indicate, Embassy assumes that discussion with French Government prior to action is envisaged on various of its recommendations where there would be very definite French concern rather than merely matter of US action. This would seem to be particularly necessary in matters such as constitution broadened national government in Vietnam, question problem of facilitating defections from Viet Minh, question of US advisers and informational activities.

Embassy strongly supports Legation's recommendation regarding desirability preparing counter guerrilla and resistance organizations for operations within and behind enemy lines.

Embassy considers important that joint US-UK French military staff talks be held at earliest possible date. In this connection, Foreign Office official informs us that British have expressed to French Government agreement on urgent necessity such talks and that Schuman³

¹ *Foreign Relations*, 1950, vol. VI, p. 958.

² Reference is to telegram 1157, January 1, p. 332.

³ Robert Schuman, French Foreign Minister.

is taking matter up direct with Pleven ⁴ with view to pushing matter.

If decisions have already been reached with respect to US Government course of action in event Chinese Communist aggression against Indochina, it would be helpful for Embassy to be informed of these decisions. It is inevitable that among questions French Government would raise in joint staff discussions Indochina situation would be that of action to be taken in event Chinese Communist overt crossing border into Tonkin, either through use of "volunteers" or with openly organized units of regular Chinese Communist armies, as well as whether US Government was prepared to assist with air and naval forces, or even ground forces. Pertinent to the foregoing would also be question whether problem would require immediate discussion in and action by UN and whether US Government prepared to act with or without UN sanction.

Sent Department 3853; repeated info Saigon 384. Department pass Saigon.

BRUCE

⁴ René Pleven, Premier of France.

751G.5 MAP/1-951 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, January 9, 1951—8 p. m.

1209. Accompanied by General Brink,¹ I saw De Lattre yesterday evening. De Lattre started complaining that, while General Brink and I were always ready to consider any reasonable request for military aid, subordinate officers of MAAG were refusing to entertain requests presented by his staff, were requiring excessive "justification" for each demand and stating orally with regard to many requests that they would not be satisfied since the US was more interested in arming Europe than providing equipment for Indochina. These officers whom De Lattre did not name, were, he alleged, giving impression US was no longer interested in Indochina. He said that subordinate officers of MAAG had refused French request for perforated landing mats for extra airfields which he must build with least possible delay in order to disperse his planes against possible enemy air attack and to provide operating bases for additional planes he expects. These mats were absolutely necessary. If unobtainable he would have to have cement strips which would take months to complete and for which cement was lacking. He was using all available cement for fortifica-

¹ Brig. Gen. Francis G. Brink, Chief of the Military Assistance Advisory Group at Saigon.

tions in the north and to provide necessary subterranean hangars for certain fields.

I told General De Lattre that there was no change in the situation; that France had already received a large amount of the material with little delay. General Brink had taken the initiative of going to see MacArthur² and had obtained from the latter, at some sacrifice to reserves for Korean action, large quantity of material which French were now utilizing. General Brink's initiative had advanced deliveries of these items by probably three months. Requests for military aid to Indochina enjoyed a priority immediately after that of Korean operations. I remarked that De Lattre's staff had probably misunderstood the observations of the officers of MAAG.

We had recommended giving sizable program of aid of which many items would arrive without delay. General Brink pointed out that he had recommended the provision of landing mats and was still recommending delivery but from what he had learned in Japan they were in short or non-existent supply. It would take several months to get them. He, General Brink, had informed the Chief-of-Staff of the circumstances and it was a service to De Lattre to know in advance just what material he could receive only with considerable delay, so he could plan realistically. De Lattre expressed himself satisfied but asked that Brink go over with his Chief-of-Staff a list of pending requests and point out items whose delivery would involve long delay. I closed this part of the conversation by the remark that he knew he could count on us to cooperate in every way toward the acceleration of the armament program. I also remarked that some ten days ago De Lattre had told us he was sending the next day a list of items which were urgently needed. We had altered our military mission to process the requests but the list actually had only been received yesterday. De Lattre admitted this delay which was caused by the fact that he had turned the list over to Colonel Beaufre whom he had to take with him on his sudden trip to Hanoi to work out defense measures against Viet Minh attacks of two weeks ago.

De Lattre said he had changed his plans about going to Paris. He had now decided not to go before the middle of February. He had to be on hand here during this period of possible Viet Minh attacks. He was no longer worried over the renewal of Viet Minh offensive. He did not believe French would lose an inch of ground nor did he believe the Chinese troops would join operations at this time. With expected material, some reinforcements, airfield and defense construction he

² General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers in Japan; Commander in Chief, Far East; Commander in Chief, United Nations Command.

felt he could hold. He replied that morale was magnificent. He said he had changed his mind about asking for heavy reinforcements from France. He realized that they simply could not be supplied in view of the necessity of rapidly building up the Metropolitan army. He would try, however, to get a few battalions.

When he had completed his reorganization and construction in the north he was going to take personal hold of the formation of the Viet National Army which was lagging badly due to the lack of energy and competency in the Viet Government. In leaving De Lattre thanked me warmly for my cooperation.

Last night De Lattre was guest honor dinner given by Huu and responded eloquently to latter's toast affirming that Vietnam was now free.

Department pass Paris. Sent Department 1209, repeated info Paris 559, Hanoi unnumbered.

HEATH

790.5/1-1651

The Secretary of Defense (Marshall) to the Secretary of State

SECRET

WASHINGTON, 16 January 1951.

DEAR MR. SECRETARY: With reference to your letter of 15 November 1950¹ regarding proposed United States-United Kingdom-French military talks concerning the defense of Indochina, I am transmitting herewith, for your information, a memorandum of 10 January 1951 from the Joint Chiefs of Staff on this subject. In this memorandum the Joint Chiefs of Staff refer to a previous memorandum to me, dated 8 December 1950,² in which they then stated that "additional military staff talks should not be undertaken at this time." I am also enclosing that memorandum for your information.

In view of the opinion which the Joint Chiefs of Staff have reaffirmed in their memorandum of 10 January 1951 that, from the strictly military point of view, no additional military staff talks are desirable at this time, I believe that the holding of such talks now depends on whether or not the Department of State believes that there are overriding political considerations. I realize that the opinion of the Joint Chiefs of Staff would have the effect of indefinitely postponing your agreement reached with Mr. Schuman and Mr. Bevin

¹ Secretary of State Acheson's letter to Secretary of Defense Marshall, November 15, 1950, not printed, suggested that preparations be completed for the earliest possible meeting of high military officers of the United States, the United Kingdom, and France regarding Indochina (790.5/11-1550). For documentation on the question of staff talks, see *Foreign Relations*, 1950, vol. VI, pp. 690 ff.

² Not printed.

on 14 September 1950.³ Yet, I believe that, in the light of the views of the Joint Chiefs of Staff, the Department of Defense can only recommend that, unless there are overriding political considerations, the French and British Governments be informed of the present U.S. military position regarding these talks.

Faithfully yours,

G. C. MARSHALL

[Enclosure]

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Marshall)*

SECRET

WASHINGTON, 10 January 1951.

Subject: Proposed Military Talks Regarding Defense of Indochina.

1. This memorandum is in response to your memorandum of 21 December 1950⁴ dealing with the matter of proposed military talks regarding defense of Indochina.

2. In view of the present United States military position in the Far East, the Joint Chiefs of Staff believe the following to be basic:

a. The United States should not permit its military forces to become engaged in French Indochina at this time, and

b. In the event of a communist invasion of Indochina, therefore, the United States should under current circumstances limit its support of the French there to an acceleration and expansion of the present military assistance program, together with taking other appropriate action to deny Indochina to communism, short of the actual employment of military forces.

In light of the above, and in view of the considerations expressed in their memorandum to you of 8 December 1950, the Joint Chiefs of Staff feel, from the strictly military point of view, that no additional military staff talks are desirable at this time.

3. On the other hand, the Joint Chiefs of Staff recognize that the political considerations raised in your memorandum of 21 December 1950 may be regarded as overriding. Under such circumstances, the Joint Chiefs of Staff would not interpose further objection to the holding of additional tripartite military staff talks at this time. Any such talks, however, would be restricted in scope by the Joint Chiefs of Staff and would not be permitted to deal with matters of strategy affecting United States global policies and plans.

³ At a meeting on September 14, 1950, Secretary Acheson informed Robert Schuman, French Foreign Minister, and Ernest Bevin, British Foreign Secretary, that the United States wished to commence military staff talks on Indochina. For documentation on consideration of Indochina at the New York Tripartite Foreign Ministers meeting, September 12-14 and 18-19, 1950, see *Foreign Relations*, 1950, vol. VI, pp. 880 ff.

⁴ Not printed.

4. In the event of a global war, the major United States measures in support of the French in Indochina would of necessity also be limited to the acceleration and expansion of the present military assistance program as feasible, and, operationally, to matters connected with convoy, routing, and protection of shipping. If the decision is made to hold the proposed additional military talks involving military operational commanders, it would be appropriate, therefore, that the chief United States military representative should be an officer designated by the Commander in Chief, Pacific (CINCPAC), and that he should be assisted by General Brink.

For the Joint Chiefs of Staff:

A. C. DAVIS

Rear Admiral, USN

Director, The Joint Staff

751G.00/1-1651 : Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, January 16, 1951—7 p. m.

904. Ngo Dinh Diem¹ called at his request on officials Dept yesterday. He returned to US from Rome and Paris about a month ago to pursue his "studies into the mechanics of the Amer Govt" and to do research on ecclesiastical matters.

Diem reported that while in Paris he sent word to Bao Dai thru Vinh² and unnamed counselor of Fr Union that in the face of the crisis facing his country at present he wld be willing to become PriMin and form a new govt providing that Bao Dai gave more auth to the Fed Govt and ceased bypassing it in favor of "governing thru the three provincial govts." Diem has been informed that Bao Dai is considering his proposition but nothing more. He intends to remain in the US for some time unless he is recalled by Chief of State.

He spoke with much more balance than heretofore. He seemed aware of gravity of Chi threat and encouraged by nature and extent of autonomy granted Assoc States at Pau. Conversations were marked by absence anti-Fr sentiments so evident in past interviews with Diem.

Sent to AmLegation Saigon 904; rptd to AmEmbassy Paris (for info) 3754.

ACHESON

¹ A prominent leader of the Vietnamese Catholic community.

² Presumably Nguyen Trung Vinh, Governor of Southern Viet-Nam.

751G.00/1-1951: Circular airgram

*The Secretary of State to Certain Diplomatic Offices*¹

SECRET

WASHINGTON, January 19, 1951—8:15 a. m.

Subject: Discussion of Indochina political situation with neighboring Asian governments

The Department wishes to draw your attention again to the continuing need that you bring your influence to bear on the governments to which you are accredited concerning their policy toward the Associated States in Indochina.

Assistant Secretary Rusk's press release of November 27th² and other recent public declarations, including most recently the Tillman Durdin article published in the *New York Times* on January 15 [14], 1951,³ have served to publicize in the United States the facts concerning the autonomy recently acquired by the Associated States from France as a result of the decisions reached at Pau. Yet there has been little if any notice of the fact outside France, particularly in the Asian nations where it is most essential that the facts be known. We cannot allow the Asians to overlook the significance of recent developments because of a failure of their own and French information services to publicize them. It is our hope that, in encouraging the other Asian Governments to restudy the matter, they may even be inclined to take a realistic view and arrive at the inescapable conclusion that the Associated States are in fact autonomous even while retaining membership in a commonwealth of nations, not an unprecedented action.

If the hesitation of Asian nations, excepting Thailand, to grant recognition to the Governments of the Associated States is actually based, as has been stated, on doubts concerning the extent of sovereignty they enjoy, recent developments have entirely changed these considerations and the matter should be reviewed. As you know, for all practical purposes the last functions being administered by the French in Indochina were turned over to the local governments on January 1, 1951.

Any consideration of Indochina policy on the part of neighboring Asian States cannot be disassociated from the circumstance of the present threat of Chinese intervention and Communist domination of the Indochinese peninsula. The Department considers that recognition by other and similarly concerned, if for the moment less seriously

¹ Sent to Karachi, New Delhi, Djakarta, Rangoon, Colombo, and Manila for action; repeated to Paris and Saigon for information.

² See circular telegram 187, November 27, 1950, which contains the text of the press conference statement by Dean Rusk, Assistant Secretary of State for Far Eastern Affairs, printed in *Foreign Relations*, 1950, vol. vi, p. 938 ff.

³ The *New York Times*, January 14, 1951, p. 11, col. 1.

threatened Asian nations, of the established governments of the Associated States would be a considerable stimulus to the anti-Communist forces there and a serious blow to the Viet Minh. The time is particularly propitious now coinciding as it would with other lesser encouragements including an increase in overall military potential, the January 1 political developments, progress in the enlargement of National Armies and the energetic, effective and benevolent administration of General de Lattre, Commander in Chief of the Franco-Vietnamese Union forces.

You are therefore instructed to seek an early opportunity to discuss this matter again with the governments to which you are accredited along lines to be developed at your discretion. You should attempt to assist the government in acknowledging the facts in the matter without giving an impression that this is a subject the United States is pursuing solely for its own interests or that we are attempting to over-influence other friendly governments in their acknowledged right to decide this and other questions on their own initiative and in their own interests which, incidentally, we believe the decision we hope will emerge from their considerations would be.

ACHESON

751G.00/1-2051 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

CONFIDENTIAL

SAIGON, January 20, 1951—9 p. m.

1286. On urgent invitation Bao Dai British Minister and I proceeded Hue Wednesday January 17 to be present at (1) ritual ceremony of Bao Dai's report on the state of the union to his imperial ancestors and (2) his address to Viet people and accompanying festivities. Apparently it had been planned to have General De Lattre as only honor guest but Bao Dai's imperial Cabinet and Governor Giao decided that if De Lattre alone were present it would reinforce Viet Minh propaganda that Bao Dai is merely French puppet. Hence our belated invitation. Bao Dai's prayers and reverences before the altars of his nine imperial predecessors was witnessed only by the hierarchy from the courtyard. De Lattre, President Huu British Minister and I were only spectators admitted to the temple.

Bao Dai's address to Viet people (copy by pouch) was an unexciting appeal for national union and to "fence sitters" to offer their services to the government, plus promise that his government would create national army and bring prosperity to Vietnam.

Under energetic stage management of Governor Giao some 20,000 or 30,000 Viets were gathered to listen to Bao Dai's speech and since there was a number of school children there were cheers of satisfactory volume and duration. The town was decorated with banners mainly

enlogizing Bao Dai but also paying tribute to General De Lattre and an occasional banner or poster expressing gratitude to US and Great Britain.

At night there was a fete on the river of [garble] with gaily lit junks and sampans, floating theaters and banners celebrating Bao Dai and De Lattre. De Lattre had left, however, after brief luncheon conference with Bao Dai to return to fighting in Tonkin.

President Huu seemed very unhappy and in the morning expressed intention of returning same day to Saigon on pretext that his presence there was necessary in view of battle raging in the north.¹ He later talked with Bao Dai, however, who ordered him to stay. Bao Dai told me he had directed Hun to demand the resignations of all his ministers so that new Cabinet could be formed by January 22 or 23. Hun was to continue as President, Tri would become Minister of Defense and Governor Giao chief of staff of Viets army. Bao Dai had not yet decided on other Cabinet posts. It will be recalled that Bao Dai told Blum (Legtel 1189, January 8)² he would postpone forming new Cabinet until after De Lattre's trip to France in latter half February.

The Viet Minh offensive in north and the insistence of apparently all his advisors except Huu that he could no longer delay informing strong government of national union has finally decided Bao Dai to take the long overdue step of naming new Cabinet. It was rumored that one of the most effective arguments used by his advisors was that because of his present lack lustre, slow-moving government, Bao Dai was being completely eclipsed by energetic De Lattre.

I might add to my account of the Hue festivities that at a dinner he gave to Bao Dai that evening Governor Giao gave toast lasting some 15 minutes devoted principally to praising Bao Dai and, secondly, to General De Lattre. The most interesting portion of this "toast" was directed to proving that national or local elections were not possible under present circumstances. As long as "the Communist menace weighed on the consciences" of the Viet people there could be no "free elections". Giao told me afterward that the reason for this passage was that Bao Dai had received a personal letter from President Auriol³ asking for early Viets elections. I remarked to Giao that I could understand that free nation-wide elections were impossible at present time but suggested that an effort be made at earliest possible moment to form a provisional Assembly or regional

¹ On January 12-13, the Vietminh opened their heaviest offensive of the war, advancing on a broad north of Hanoi. They were repulsed by French Union forces in a week of bitter fighting. The decisive action occurred in the area of Vinh Yen, January 15-17. There followed a relative lull in the war of about two months.

² Not printed.

³ For partial text of the letter from Vincent Auriol, President of France, to Bao Dai, December 15, 1950, see telegram 1291 from Saigon, January 21, p. 355.

assemblies which might serve as forum for discussion of the actions of the government.

Sent Department 1286, repeated info Paris 570.

HEATH

751G.00/1-2151 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, January 21, 1951—noon.

1287. With General Brink I visited General De Lattre in Tonkin January 18 and 19. First day De Lattre flew us over the "redoubt" he is constructing around Hanoi which has circumference of about 50 miles. He is constructing some 300 cement block houses where he will place machine and anti-tank guns and 2 reserve airfields. Work is being pushed rapidly but it will not be entirely completed before June. This "redoubt", De Lattre insists, is not for defense against VM but against possible Chinese invasion which he still believes to be at least several months off. Following day flew and jeeped over recent battle area of Vinh Yen and Phuoc Yen. Very obviously French Union troops had fought with supreme gallantry but it was their superiority in aviation and artillery that threw back VM. According French accounts, VM attacked in this area with 21 battalions French defenders only numbering 6 or 7 battalions. French losses were extremely high. In case of a mobile reserve unit of 3 battalions totalling around 2,000 men, there were 540 casualties.

A *supplétif* battalion made up of Muongs Thais from the tiger hunting country fought with great success and minimum losses. VM losses were undoubtedly much heavier and the estimate of at least thousand VM killed is probably not excessive. Several hundred prisoners were taken and total wounded is doubtless still higher. Use of napalm furnished by MDAP was one decisive factor in French holding. French Union troops and officers I saw looked battle-weary but apparently morale was high. De Lattre told me his first public declarations that French Union forces would not yield an inch of terrain and his action in stopping evacuation of Hanoi was to strengthen morale; he had not then been sure the French forces could hold against VM. Now he insists that he is certain of being able withstand VM attacks but he must receive promptly necessary reinforcements from French. Contrary his statement few days ago that he would ask only for few battalions, he now insists that having observed the fanatic fighting spirit and seeing the excellent tactical direction of VM troops, he will need at least division and half. If French Government will not furnish them then he would resign his command. These reinforcements would only be temporary. Within year he would expect to have built up

Viets national army to point where certain Viet units at least could take place of French troops.

De Lattre said he had no plans for counteroffensive at this time. For the moment he could only hope repel VM attacks. Furthermore, it would be great mistake for him to talk about counteroffensive measures such as the retaking of Langson. The French Parliament would refuse him any reinforcements if they thought he was indulging in what they regarded as risky counteroffensive. There was opposition to the war in Indochina in France. Moreover, he did not want to do anything that would give Chinese pretext of invasion. For that reason he was against use of American training units. The moment, however, a Chinese battalion was identified as being on Viets soil, he would ask for American instructors and troops too if he could get them.

According his intelligence, VM had withdrawn all their battalions to north for 10 day period of regrouping. They were extremely surprised and disheartened over their failure break the French lines. VM had been confident their last attack would be successful. His post commanders told me that the initial assault waves of VM were composed of recruits armed with grenades and machine pistols. They attacked in relatively close order and were followed by first class battalions of VM forces.

Governor Tri expressed the prevailing local estimate when he said to me "thanks to De Lattre it seems probable VM will not be able drive French from Tonkin. Had their been no change in command, VM would probably have been successful".

Sent Department 1287, repeated information Paris 571.

HEATH

751G.00/1-2151 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET PRIORITY

SAIGON, January 21, 1951—6 p. m.

1290. During course consultation,¹ would expect discuss whole range of Legation proposals made in Legtel 1157 January 1 with appropriate officers and agencies in addition to standing by to contribute any information I can for discussions with Pleven.² I would also plan discuss few questions not covered in reftel and usual administrative matters.

¹ Minister Heath departed from Saigon on January 22 for consultation in Washington, returning to his post on February 21.

² On January 29, a French delegation including Premier Pleven and Jules Moch, Minister of Defense, arrived in Washington for conversations with U.S. officials. Regarding these proceedings, see editorial note, p. 366.

Principal fields of our concern are :

1. Military Strategic concept for IC and extent US aid. Mission of MAAG (with General Brink). Acceleration of procurement. US responsibilities and opportunities re national armies, and potential resistance groups. US policy in event loss of Tonkin or collapse resistance in IC. Policies on regional coordination for US offices in IC.
2. Information. Coordination of intelligence and psychological warfare activities of this post and with other agencies and countries. Expansion of information activities here with development USIE production and idea center. Selection public relations adviser for Bao Dai. Installation of US radio station and use of time on Viet radio.
3. Economic. Development Point IV program in relation other programs and agencies. Question of admissibility US technicians re Franco-Associated States formula. Question of possible eventual direct financing national armies or local government activities.
4. French policy. Re future evolution French Union relationship. Re program if Chinese Communists invade. Degree US participation in councils and plans. Relations Associated States and UN.
5. Miscellaneous. Representation of Associated States in US Embassy status for this Legation. Interests of other Departments in work this mission.
6. Pleven and Moch. I do not know agenda of Pleven-Moch talk but assume Far Eastern policy will be discussed. For what it may be worth I offer some speculation about frame of mind in which French would approach a discussion of IC and, insofar as they can be deduced in Saigon, the particulars on which they would want if not assurances from us at least some appreciation our thinking.

For past year French command here has angled for some intimation of US intention in case of Chinese attack; and their policies and conduct of relations with us have been at least partly framed to make possible US intervention in advantageous circumstances.

With our involvement in Korea and especially since situation became difficult French must be re-examining their estimates. I believe, however, they will be even more anxious know whether and in what circumstances US force might be used and that Pleven, if he does not ask particulars outright, may well try to document his impressions; the French will probably want know when the long-discussed strategic conversations may be held; extent of any further US financial aid which may be expected; and possibility of accelerating deliveries.

On our side, it seems to me we will want to know just what French intentions are in event of Chinese invasion; to verify at highest level their intelligence with respect to Chinese disposition and intentions; to arrange for increasing US participation in plans and intelligence relating to IC; to know whether they consider further concessions should be made to Viets in direction of modifying March 8 accords; and earliest date at which French believe Viet army could be ready confront VM in formal battle.

I should hope that in course of these conversations we could gain a sense of extent to which, if any, French last-minute liberalism at Pau and their decision accept a genuine Viet army may have been influenced by a heightened concern for defense of homeland and by desire to diminish within nearer future, this commitment in Asia, saving for the metropole the nucleus of a greater French army. These considerations seem to have been present at least to the public mind as manifested in IC just after reverses in Korea. Whether they played part in French decision we do not know, but a sense of the drift of Parisian policies and reflexes in this context is indispensable for formation of our own policies in IC, and an anticipation of French reactions to a Chinese invasion.

One specific thing we should ask French is whether they are prepared to recommend to their Assembly and government the appropriation of roughly 42 billion francs towards creation of Vietnam's national army in 1951. Total cost for calendar '51 according to recently completed draft budget prepared by Ministry of Armed Forces with French assistance will come to 58.6 billion francs exclusive of arms furnished by US and already contemplated or ordered from French.

HEATH

751.G.00/1-2151: Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, January 21, 1951—noon.

1291. 1. Bao Dai asked urgently to see me before my departure for Washington and his plane took me to Bon Me Thuot yesterday morning, an isolated district capital in the plateau region and a departure point for big game expeditions.

Bao Dai said one of the principal reasons for wishing to see me was concern over President Auriol's insistence on publishing a letter sent by him last December to Bao Dai² following signature of the Pau accords which contained following passage:

[Here follows the partial text of the letter, in which President Auriol urged that free elections be held in Vietnam.]

Bao Dai said that when this letter was handed him Letourneau had said this was purely a form communication requiring no answer. Since then, however, Letourneau had written to him that President Auriol

¹ This telegram was transmitted in two parts.

² President Auriol's letter to Bao Dai, December 15, 1950, and the latter's reply, January 8, 1951, were transmitted to the Department of State as enclosures 1 and 2 to despatch 503 from Saigon, February 14, not printed (751G.00/2-1451). The French Embassy provided the Department with additional copies on March 6. The covering communication, note 122, indicated that the Auriol-Bao Dai exchange would probably not be published in the *Journal Officiel* of the French Republic. (751G.00/3-651)

desired the publication of this letter and that Auriol was firmly attached to the idea of "a new appeal capable of guaranteeing free elections to put an end to military operations". Letourneau continued "it was more than ever evident that it was only by strictly Vietnamese action that an appeasement (*apaisement*) would be achieved. Letourneau added a postscript suggesting that Bao Dai's traditional message to his people on Vietnamese new years (February 6) would be an appropriate time to make this appeal. In addition to Letourneau letter Bao Dai had received from his representative in Paris, Prince Buu Loc, a message that French were pressing for the publication of Auriol's letter.

Bao Dai said that he was utterly against its publication at this time and it was for that reason that Giao in his speech at the banquet at Hue (Legtel 1286, January 20) had stated at length the impossibility of holding free elections at this time. Free elections were utterly impossible and to propose holding them now would be playing into Communist hands. The idea of free elections at this time would encourage the "fence sitters" to wait it out more than ever. It would operate to the internal and international discredit to his government to have the idea of free elections suggested by France, rejected at this time by his government. He suggested that Auriol's insistence on publication was chiefly due to French internal political considerations and in part due to a lurking French desire to come to some sort of face-saving terms with Ho Chi Minh ³ which would enable the French to retire from Indochina and still maintain that they had not abandoned the field because of the Communist military threat. This latter accusation was much more energetically and definitely formulated by Nguyen De, Chief of the Imperial Cabinet, in a later conversation with me.

I said to Bao Dai that I was expressing purely personal opinion but I saw no reason, since he felt that it would complicate the task of his government, why he should not object to the publication of this correspondence. On the other hand, I said that while I could understand elections might not be possible at present it might well be advisable for him at an early occasion to announce his intention to hold free elections as soon as peace arrived. Bao Dai replied that he had already promised his people, once peace was secured, there would be a national plebiscite to determine the form of the future Vietnamese Government.

To my inquiry whether the present was not the time to make an appeal for laying down of arms with appropriate promises of amnesty, Bao Dai replied that the non-Communist nationalist elements in

³ President of the Democratic Republic of Viet-Nam.

Viet Minh were prisoners of the Communists. Communists would not allow them to rally to the government. Ho Chi Minh might allow some certain pseudo-nationalist members of Viet Minh to accept the amnesty but they would be merely agents who would plot new disorders and subversion.

2. Bao Dai then told me he had dissolved the government and that on January 24 Huu, whom he will retain as President of the Council, will present him a slate of the new Cabinet. When I inquired if Bao Dai were personally selecting and consulting with the candidates he replied in the negative. He was leaving to Huu the matter of negotiations and the preparations of a list of possible Ministers whom Bao Dai would select from this list. He said without much conviction that he hoped he would be able to form a strong government. If the government did not work out he would dispense with Huu. I said that from what he had told me at Hue he had at least two energetic men in Tri and Giao. Bao Dai replied pessimistically "yes, provided they were still willing to remain in the government 6 months from now". To this I stated that were Tri and Giao really successful as Ministers, Bao Dai should not allow them to resign. He had the power, authority, the justification to insist that good men enter and continue in his government during this period of emergency.

I then took up question of the proposal Blum and I discussed with him on his announcing his social and economic aims with a detailed program. In spite of the fiscal and military difficulties in the government he should be in a position to announce certain projects of economic and social improvement for which funds were being provided by ECA. Later, Hochstetter, chief of publicity for STEM, who had come with me to discuss with Nguyen De, publicity for ECA program for the Hegt Plateau region suggested that His Majesty might take occasion of the large distribution of textiles and other commodities for the needy on Vietnamese New Year day to make a public appearance and speech announcing the donation as one of the items in his program. Bao Dai agreed in principle without enthusiasm but finally said he should be interested in receiving from the Legation a list and dates of completion of ECA projects which might furnish the occasion for public appearances to impress his subjects with his concern for their social and economic welfare.

I had the impression Bao Dai was a harassed man who could not rid himself of the sneaking feeling that the moral conviction and idealism of many VM supporters was superior to those of his own followers and that he was conscious of his own lack of leadership. The jokes frequently heard in Saigon that "Bao Dai is the greatest fence sitter (attentiste) of them all" came to my mind.

Sent Department 1291, repeated information Paris 572.

HEATH

751G.00/1-2351 : Telegram

The Consul at Hanoi (Blancké) to the Secretary of State

SECRET

HANOI, January 23, 1951-8 a. m.

366. ReContel 362 January 22.¹ De Lattre left town yesterday rather like bull-fighter turning his back on fixed bull. As trophies he bore congratulatory effusions from Bao Dai, Huu and Tri, which tickled him so he could not wait next day's press splash and called in British Consul and me to crow over them. Also inordinately pleased by AFP reports attitude in US changing to confidence.

It is true C-in-C has restored confidence and his personality overshadows Asia at moment. I believe Tri reflected consensus when he told Heath Hanoi would be goner by now if De Lattre had not replaced Carpentier who fought colonial war from Saigon. De Lattre points with pride—and gives Tri some credit—to population's calm in face of his relatively frank communiqués on fighting. Also appreciated US contribution to morale in opening USIE library at critical time.

But at same time C-in-C, who courts US newsmen and speaks off record to them at frequent lunches and dinners, now blandly admits he was whistling in dark with brash New Year statements (Contel 299 January 1);¹ also that things did indeed look dark January 15 (Contel 347 January 16)¹ and he almost scraped bottom of reinforcement barrel to halt attacks (Contel 354 January 18).¹ This tacit admission his stopping dependent evacuation was risky grandstand play, plus his stated belief VM will soon again attack in force, cannot but engender mixed feelings.

De Lattre rather harps on Tonkin as bastion against Communist sweep of southeast Asia which he can hold if France gives troops and US gives tools. Re troops, says openly French Government must give within measure of its ability (asking price is now 1½ divisions) because government knows it will fall if HC walks out on job. Re US aid, C-in-C stressed anxiety over case he considered symptomatic, that Brink had to go to Tokyo personally to get napalm in time; while everywhere landing Brink for this, including before combat troops, C-in-C made point it was not comforting that situation was saved by personal action of one general. (Valid reservations to this undoubtedly reported from Saigon by Minister and/or Brink).

Withal, De Lattre speaks of Tonkin fighting as delaying action to buy time for European defense organizing under Eisenhower,² which

¹ Not printed.

² General of the Army Dwight D. Eisenhower, Supreme Allied Commander, Europe.

he considers needs 2 years. This view undoubtedly owes to his more European outlook but I believe he shares my basic feeling Chinese will not let IC go and Tonkin is eventually doomed.

Available information re current views local Nationalists, mostly gleaned reliable second hand, summed up as follows:

1. Fear De Lattre's talk of Vietnam independence, while sincere, is personal talk, and would like official French Government statement;
2. Fear if French are successful defenders they will be too entrenched to leave, and that quantities of US military aid contribute to this morally as well as physically;
3. That Chinese invasion is coming.

Department pass Paris, Saigon. Sent Department 366, repeated information Paris 73, Saigon 202.

BLANCKÉ

751G.00/1-2451 : Telegram

*The Chargé at Saigon (Gullion) to the Secretary of State*¹

SECRET

SAIGON, January 24, 1951—2 p. m.

1302. Re Deptel 904, January 16. Ngo Dinh Diem's willingness to serve is interesting and encouraging sign of evolution of attitude of sectarian fence sitters. We also agree with his thesis that central government must be strengthened. Bishop Thi informed me of the receipt of Diem's letter by Bao Dai; he states that Bao Dai has not yet answered it. It appears, however, that Cabinet now in formation will hold some form of Catholic participation.

As Department is aware, Bao Dai's antipathy to Ngo Dinh Diem is extreme—based on life-long contact between the two men, Diem's persistent disdainful attitude toward the former Emperor at his refusal of all previous calls to join the government.

Despite undoubted advantages of some Catholic participation in Cabinet, government of Vietnam under Catholic direction would have to overcome some disadvantages. Catholic community in Vietnam does not constitute centrist element between Communists and rightists as it does in much of Europe. Catholic position is that of precarious minority of less than a tenth of this population, suspected by many of the majority of being too westernized. Disparagers of Ngo Dinh Diem or other leading Catholics call them "men of the mission" meaning that they are captives of French colonizing Christianity. Catholics themselves aware of their exposed situation and their *attentisme* owes at least as much to fear of being compromised in eyes of country with French-Bao Dai axis as it does to reserves and misgiving about Bao Dai.

¹ This telegram was transmitted in two parts.

Diem himself is a distinguished and respected Viet but is said by some of those who know him to be almost monk, too rigid and unworldly to run a government, especially a Viet Government.

What kind of program the Catholic groups would prosecute if called to office is problematical. They are patriotic, sympathetic to the West and have higher standards of probity and conduct than those generally prevailing in Vietnam.

Leaders like Diem, and his brother, Bishop Thuc, have confirmed few details of their policies but somehow the things that they have proposed or which have been proposed in their names, with or without their knowledge, that, if carried out, radically change present political and military picture. Diem and Thuc have at times indicated to us that they consider March 8 accords out of date and they have at least occasionally been attracted by the idea of turning over the problem of Vietnam to a UN good offices committee.

They have indicated to us their interest in the scheme for replacing Bao Dai with a regency on behalf of Bao Long, Bao Dai's heir, consisting of the Catholic Empress and the aged Prince Cuong De now in Japan. Whether Diem and Thuc are the authors of this scheme or merely the most prominent sympathizers is not known.

Although basically opposed to Communism, the Catholics, like many other groups in Bao Dai's Vietnam, have never actually lost contact with the Viet Minh. There are still many communicants on the other side of the barricades. It is noteworthy that when Cuong De, allegedly travelling with Catholic backing, made his abortive attempt to return to Vietnam, some months ago, he accepted the hospitality of Ho Chi Minh's man, Quy in Bangkok.

The leading Catholics, especially Ngo Dinh Diem, like many Viets retain a healthy respect for the Japanese. Some of them, seeking a substitute for French force in defense of the country and doubting that the US will provide it, have been looking for a way to attract Japanese participation, possibly under US supervision. They expect Cuong De to be useful in this regard.

I am inclined to believe that while the participation of the Catholics in a broad scale government of national unity is desirable and probable, they should not lead it at this stage. However, Catholic entry in government will doubtless bring over many *attentistes* and would heighten the tone of the rest of the Cabinet.

Bao Dai is well aware of the regency scheme attributed to Catholic circles and can presumably be counted upon to verify the motives of Catholic entry into government.

It is not inconceivable that Bao Dai himself in some circumstances might take the regency on test. However, for all his faults he is probably firmer against the Communists than many other would-be leaders at this time.

If he were to be dumped or shunted out of the way with French cooperation and a show of American involvement, the result might be a boomerang and we would look like the puppeteers we are alleged to be.

It is possible that the paucity of leaders of Vietnam may only be overcome when the national army is a reality, assemblies and parliamentary methods exist and when a measure of freedom of the press is restored. At that time new leaders could come forward and find a forum on which to distinguish themselves before the people.

Department pass Paris. Sent Department 1302, repeated info Paris 578.

GULLION

S51G.00-TA/1-2551

The Chargé at Saigon (Gullion) to the Secretary of State

CONFIDENTIAL

SAIGON, January 25, 1951.

Subject: Point IV Program for Indochina.

In response to the specific questions raised in paragraph 4 of the reference telegram,¹ the Legation has been developing the Point IV program² for Indochina in the sense that it has had lengthy discussions of its intent and the best method of implementing it with STEM and that it has discussed its initiation with Vietnamese ministers. Assuming that the over-all cost of a single American technician brought to Indochina on an annual basis under the program might reasonably be expected to average \$15,000 and that some funds would have to be spent for necessary supplies and equipment, the \$400,000 earmarked for Indochina would finance the services of 20 to 25 technicians. The Legation and STEM believe that, provided the basic problems outlined below can be avoided or solved and provided the scope of permissible projects is not too limited, it should not prove impossible to develop projects which could absorb this moderate amount of technical aid.

The preliminary study of Point IV matters by American agencies in Saigon referred to above has, however, raised the following questions:

1. Will the French object to the program? As indicated in paragraph 3 of the reference telegram, the Department and ECA are well aware of the problem of foreign experts in Indochina. STEM has been able to circumvent it by the fact that its "advisers" are in a sense

¹ Telegram 900 to Saigon, January 16, not printed.

² Documentation on the overall administration of economic and technical assistance to underdeveloped nations within the "Point IV Program" is scheduled for publication in volume I. For documentation on Asian regional aspects of the program, see pp. 1 ff.

subordinate to the equipment and supplies which are being brought into the Associated States. The two are considered complementary aspects of a single program. This would not be the case with Point IV. In this program technicians, experts, or advisers would, it appears, have to be requested as such by the Associated States and equipment and supplies could be provided only when United States technicians work "on joint projects with Indochinese". It is noted that the Department wishes to have "official requests" based on "specific proposals". The Legation and STEM have been concerned whether these requirements, unless the initial approach were most carefully planned, might not lead to an open showdown by the French on the question of United States advisers under whatever guise they might assume. Such a showdown could conceivably endanger the excellent work which STEM has hitherto been able to accomplish. It is realized that the problem of whether or not foreign "counsellors, technicians or experts" can or cannot be officially requested by the Governments of the Associated States concerns only those states and France. The United States is, of course, not bound by the March 8 and comparable agreements.³ Nevertheless, if the United States appeared to be urging the Associated States to infringe not only the letter but the spirit of these agreements, our relations with the French authorities here might be seriously impaired.

2. What kind of projects should be included under Point IV? The most useful short-term projects would obviously not deal with mass education or vocational training, but with fiscal management and overall administration. Yet it would appear obvious that it is precisely in these fields that French would consider any intrusion of American technicians as a danger to its own carefully guarded position in Indochina. France might also even react strongly against American technicians appearing to supplant French technicians in weather bureau and coast and geodetic survey work. As for higher education, the only University in Indochina at the present time is the University of Hanoi which has a branch in Saigon. Under Title III of the cultural convention between France and Vietnam signed December 30, 1949⁴ this University which is financed in equal parts by Vietnam and the French would be directed for at least six years by a French Rector who is also specifically given authority over its budget. In all these latter fields the prestige of French culture and science is at stake. In the former fields of fiscal and administrative management the political position of France in Indochina is at stake. If this reasoning is correct and if the United States at this time does not wish to force its technicians into

³ Reference is to the agreement between France and Viet-Nam embodied in an exchange of letters between Vincent Auriol, President of France, and Bao Dai, March 8, 1949. For the text of this agreement regulating relations between the two states, see France, Direction de la Documentation, *Notes et Etudes Documentaires*, No. 1147 (June 20, 1949), pp. 3-14, or Margaret Carlyle, ed., *Documents on International Affairs, 1949-1950* (London: Oxford University Press, 1953), pp. 596-606. An English translation of the major portion of the agreement appears in Allan W. Cameron, ed., *Viet-Nam Crisis: A Documentary History*, vol. 1: 1940-1956 (Ithaca: Cornell University Press, 1971), pp. 120-129.

⁴ On December 30, 1949, representatives of France and Viet-Nam signed at Saigon approximately thirty conventions providing for the transfer of powers in the following fields: justice, military affairs, economics, finance, public works, cultural affairs, public health, information, and personnel. For documentation on these agreements see *Foreign Relations*, 1949, vol. VII, Part 1, pp. 1 ff.

Indochina against the wishes of France, it would appear that Point IV funds as far as Indochina is concerned would have to be limited to projects of mass education, vocational training and teacher training and even of these the French would probably look with suspicion upon United States assistance in training Indochinese teachers on linguistic as well as cultural grounds. Nevertheless, particularly if technicians could be associated with supplying equipment and materials 20 to 25 experts could probably be officially requested by the Associated States and effectively utilized in vocational training where even the French would have to admit presumably that the United States is outstanding. The Minister of Education has already informed the Legation that American assistance in this field would be most desirable.

3. Are Point IV funds necessary? STEM has informed the Legation that it may have some funds uncommitted at the end of the present fiscal year. If so, theoretically these could be used for the same purpose as Point IV and the latter diverted to other areas. Nevertheless the Legation is aware that for political and psychological reasons Point IV program should be started wherever practical. It is a long term program and one which, if the problem of foreign experts generally were solved, could "contribute greatly to the economic development" of the Associated States.

4. Will the Associated States welcome the program? In spite of the fact that hitherto, unless encouraged otherwise by United States officials, the Governments of the Associated States have tended to think of requests for aid in terms of materials, equipment and funds, it is believed that they would generally welcome United States technical assistance on the scale projected. On many occasions indeed the need for initiating economic and social reforms and the need for improving and strengthening the administrative structure of the government has been brought to the attention of the highest Vietnamese officials. The general impression to date has been that these officials may not take drastic action, however, as long as they need important French military forces for the defense of their country, but will support United States efforts in technical assistance fields as long as they do not cause serious trouble with the French. In the final analysis, most Vietnamese are anxious to rid themselves of French advisers, would welcome United States technicians, but feel that they must exercise caution until the military situation is more stable.

Action:

1. The Legation is sending the attached note to the Governments of Cambodia, Laos and Vietnam and will discuss it informally with the High Commissioner's Office. In drafting this note it was felt inadvisable to specify the type of projects which might be included in technical cooperation programs in order to permit flexibility in discussions with these Governments and in order not to raise unnecessarily in an initial written communication any implication that the Point IV Program might produce results which would infringe the agreements between France and the Associated States regarding the latter's use of foreign experts.

2. The Legation would appreciate being instructed whether, as was apparently done in the case of Ceylon, it is contemplated under Section

406 of the "Act for International Development"⁵ that a formal bilateral general agreement should be negotiated with each of the Associated States or whether the Point IV Program might be initiated on the basis of specific projects. Under the circumstances, it would appear decidedly more desirable to proceed on the latter basis. In any event could the Department kindly furnish the Legation with a copy of the Ceylon agreement?

3. It would be appreciated if the Department could furnish the Legation with a copy of the United States-Ceylon agreement on technical cooperation programs.

EDMUND A. GULLION

[Enclosure]

*Note to the Governments of Cambodia, Laos, and Viet-Nam Regarding
Technical Assistance Programs*

SAIGON, January 25, 1951.

The Minister of the Legation of the United States of America in Saigon presents his compliments to the Minister of Foreign Affairs of the (State of Vietnam, Kingdom of Cambodia, Kingdom of Laos) and has the honor to state that the Government of the United States has made available additional funds for the initiation of a new program of bilateral technical cooperation programs in Southeast Asia. This action represents a step in the development of what has been referred to as the "Point Four" program of the United States. It will be recalled that in his inaugural address of January 20, 1949 the President of the United States of America set forth in general terms four principal directives for the foreign policy of the United States. The fourth consisted in facilitating the development of areas not yet having reached their full economic potentialities by putting at their disposition the technical resources of the United States and, with the freely agreed cooperation of their peoples, in encouraging capital investment in these areas.

Although the American Legation in Saigon will assume major responsibility for coordinating technical cooperation programs insofar as the interests of the United States are concerned, the United States Special Economic Mission, and the United States Information Service are vitally concerned since projects advanced may closely involve their activities. If the (Government of Vietnam, Kingdom of Cambodia, Kingdom of Laos) wishes to consider participating in the new technical cooperation programs, it is respectfully suggested that, in order to explain the program and mutually determine how best individual projects might subsequently be developed, the (Government of Viet-

⁵ Reference is to Title IV of the Foreign Economic Assistance Act of 1950 (Public Law 535, 81st Cong.; 64 Stat. 198). Title IV authorized assistance under the Point IV Program.

nam, Kingdom of Cambodia, Kingdom of Laos) may wish to designate a representative or representatives who could meet in the near future with representatives of the American agencies mentioned above.

To provide information regarding the background and United States legislative status of the Point IV Program a copy of the Department of State publication: "Le Point Quatre: Programme d'Application" and pertinent sections of the Act for International Development are attached hereto.⁶

⁶ The subenclosures do not accompany the source text.

790.5/1-1651

The Secretary of State to the Secretary of Defense (Marshall)

SECRET

[WASHINGTON,] January 26, 1951.

MY DEAR MR. SECRETARY: In reply to your letter of January 16 concerning the desirability of commencing military conversations with the British and French Governments on the subject of South-east Asia, I believe the United States Government's commitment to hold these conversations undertaken during the course of the Foreign Ministers' Meetings in New York, constitutes, as a practical matter, an overriding political consideration. Accordingly, the Department of State hopes that the Department of Defense will find it possible to initiate these discussions as soon as possible. As the Joint Chiefs are aware, the Department believes that Mr. Plevin, during the course of his conversations with President Truman, will ask for the United States decision in this matter.

Sincerely yours,

DEAN ACHESON

751H.5 MAP/1-2751: Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

CONFIDENTIAL

SAIGON, January 27, 1951—7 p. m.

1323. Please deliver copy following to Minister Heath. In response Heath's query Cambodian Minister FonAff has presented following view Cambodian Government re US military and economic aid (Phnom Penh's despatch 39, January 24).¹ Minister states King Cambodia deeply touched by thoughtfulness US Minister and has himself requested transmittal this information with his sincere thanks. Economic requests of Cambodia are already known and government hopes only that suction dredge may be delivered soonest possible.

¹ Not printed.

Re military aid Minister FonAff submitted separate note dated January 23.² Minister notes Cambodia has received in 1950 matériel necessary for 3 battalions infantry. For 1951 Cambodia requests matériel for following units now being formed or to be formed during course year: one armored squadron, two infantry battalions; one engineering company, one transport company, 20 anti-guerrilla commando groups.

"Cambodia has also asked for matériel destined for various missions liaison and command (transport planes, observation aircraft, river craft). Finally Cambodia has pointed out insufficient light arms for police and auto-defense. Consequently royal government requests following action: (1) speed up delivery material for armored squadron, infantry battalions and commandos; (2) inform us as to decisions made on requests for material not asked for in first instance. Royal government also points out important effort it has made in general defense IC and encouraging results it has obtained in its efforts."

Legation assumes "material not asked for in first instance" refers to "various missions" and police and auto-defense mentioned above.

Copies foregoing delivered to Saigon MAAG for processing.

Sent Department 1323, repeated information Paris 585.

GULLION

² Not printed.

Editorial Note

On January 29, René Pleven, Premier of France, arrived in Washington for conversations with President Truman. Three meetings were held during which the situation in the Far East, European problems, and United States military and economic assistance to France received consideration. Among those participating in the discussions for the United States were the Secretaries of State, Defense, and the Treasury; General of the Army Omar N. Bradley, Chairman of the Joint Chiefs of Staff; Ambassador Bruce; and Minister Heath. French participants included Jules Moch, Minister of National Defense; General of the Armies Alphonse Pierre Juin, Resident General in Morocco; Alexandre Parodi, Secretary General, Ministry of Foreign Affairs; and Henri Bonnet, French Ambassador in the United States. The minutes of the three meetings, the final communiqué issued on January 30, and other documentation on the conference are scheduled for publication in volume IV.

Secretary of State Acheson summarized the results of the conversations in a report to the National Security Council, document NSC 105, February 23. Here follows the portion of that report devoted to

discussions on the Far East, particularly Indochina. The passages quoted within the report were taken from the communiqué.

“FAR EAST

4. *a.* ‘The President and the Prime Minister found themselves in complete agreement as to the necessity of resisting aggression and assisting the free nations of the Far East in their efforts to maintain their security and assure their independence.’ The U.S. and France should not over-commit themselves militarily in the Far East and thereby endanger the situation in Europe.

b. ‘The President and the Prime Minister agreed that continuous contact should be maintained between the interested nations on these problems.’ The Prime Minister’s suggestion to create a U.S., U.K., French consultative body to coordinate the three governments’ Asiatic policies was not accepted by the President, who preferred to rely on existing mechanisms.

c. ‘The situation in Korea was discussed and they concurred that every effort must be exerted to bring about an honorable solution there. Until that end can be accomplished, resistance by United Nations forces to aggression must continue. Both France and the United States will support action directed toward deterring aggression and toward preventing the spread of hostilities beyond Korea.’

d. With regard to Indochina, ‘the Prime Minister declared that France was determined to do its utmost to continue’ its efforts to resist ‘the Communist onslaught in order to maintain the security and independence of the Associated States. Viet Nam, Cambodia, and Laos.’

e. It was desirable to build up the native Indochinese forces as rapidly as possible. We held out no hope for the provision of U.S. budgetary assistance for the National Army in Indochina. We cannot become directly involved in local budgetary deficits of other countries.

f. ‘The President informed the Prime Minister that United States aid for the French Union forces and for the National Armies of the Associated States will continue, and that the increased quantities of material to be delivered under the program authorized for the current fiscal year will be expedited.’ Additional measures for U.S. aid to Indochina included: (1) an indication of our willingness to relax the original restrictions placed on the use by the French of the U.S. aircraft carrier *Langley* in the Mediterranean in view of our inability to provide another U.S. carrier for service in Indochina; and (2) an agreement to study the possibility of reallocating funds now available in an effort to provide equipment for four Vietnamese divisions.

g. The President said that the United States was agreeable to U.S., U.K., French military consultations on Indochinese matters.

h. In the event of a Chinese Communist attack on Indochina, the U.S. desires to assist in the evacuation of French forces if such action becomes necessary. The extent of the aid would be limited by other demands on our forces, such as Korea, which exist at the time any request for assistance is made.” (S/S Files: Lot 63D351: NSC 105 Series)

751.13/1-3051 : Telegram

The Secretary of State to the Legation at Saigon

TOP SECRET

WASHINGTON, January 30, 1951—8 p. m.

974. The fol is rough summary of Truman-Pleven discussions of yesterday as they pertain to IC:

Pleven presented his position as fols:

1) Events in the Far East make it necessary for the Western Powers to coordinate economically, militarily and politically and procedure for permanent consultation between US, Brit and Fr shld be established. It might include the establishment of a permanent tripartite body for this purpose.

2) As far as IC is concerned three hypotheses shld be considered:

a. The present situation of fighting an internal rebellion which Fr is and has faced for the last five years. With a reinforced VM Fr can only foresee heavier and heavier losses. The only possible daylight in matter lies in the planned development of Viet natl army. Immed question to be faced is whether Gen de Lattre's demands for reinforcements shld be met or declined in the realization that similar demands may be expected regularly hereafter and cannot be met. The fact that Fr present effort entailed a comparable drain on her contribution to the defense of Western Europe is also pertinent. Amt of US aid to be anticipated is dominant consideration in arriving at decision in matter. Formation of four Vietnamese divisions during 1951 under study. Wld involve a cost of 58 billion francs, 25 billion of which cannot be covered in the contemplated contributions from both Fr and Vietnamese budgets. Particular mention was made of the furnishing of an aircraft carrier. Recommended that this and other technical questions shld be studied by Fr-US mil experts.

b. The second possibility is that which wld be created by an overt Chi Commie attack. Before the Fr can make any decision of action to be taken in this eventuality they must ask for further clarification of the US position vis-à-vis aid in both men and materiel. Fr Govt wld also appreciate info concerning anticipated US aid in the event of a forced evacuation.

The Fr invite us to consider the effect of the loss of Tonkin or of all IC on the rest of SEA (polit, econ and mil). A study of this matter might be considered by the group suggested in para one.

c. The third possibility is that which wld be created if peace negotiations were undertaken. While Fr observe that it is impossible to calculate if such possibility exists they believe consideration must be given to it "especially in the light of the recent reverses suffered by the VM."

Although detailed minutes are not available fol is a brief summary of our replies to various questions:

Although we are not prepared to consider question of tripartite SEA command as suggested by Fr we are prepared under certain

specific and limiting conditions to adhere to our agreement to take part in high level tripartite mil conversations as agreed at the Sep FonMin Conf. We are prepared to appoint man from Admiral Radford's ¹ staff to represent us.

We assured Fr that our aid program to IC will be carried out as presently planned, barring unforeseen developments. We are prepared to give the Fr more detailed info on the way our aid program works and specific consideration being given to IC in overall picture. We have told the Fr we are not prepared to commit ground forces but wld, dependent on circumstances applicable at time, supply logistic support in the event of a forced evacuation.

Re the 25 billion franc deficit in sum required for natl armies (Fr state only 33 billion of 58 required can be covered by Fr and Viet budgets combined). The Fr made us a formal request for additional aid of 70 million dollars. We have given them no assurance in that regard and are now engaged in detailed studies at specialists level concerning matter. For your info it is very unlikely that this Govt will engage itself to finance the budgetary deficit of another govt but we hope to devise some other method to assure that necessary funds for the development of the natl armies be forthcoming.

Although we did not accede to the Fr request for another aircraft carrier, Gen Marshall ² informed Plevin that the present restrictions on the use of the *Langley* wld be removed, thus apparently making *Langley* available to Fr for use in Far Eastern waters if they so choose. We assured the Fr that the effect of the loss of Tonkin or of all of IC to rest of SEA is constantly under study by this govt.

We had no comment concerning third hypothesis.

The 58 billion franc figure for the formation of the natl armies is based on armies of 41 battalions. Of this sum it is estimated that the Fr budget cld only make a 15½ billion franc contribution and the Viet one of 17 billion as a maximum (40% of estimated total receipts). The deficit is thus 25½ billion francs or roughly \$70 million. Of this sum approximately ⅔ wld be required for payroll and ⅓ for equipment and goods payable in francs and piasters. Eventually natl armies wld consist of four Vietnamese divisions of 34 battalions plus five Cambodian and two Laotian battalions. Fr have stated it will be impossible for them to furnish any equipment for battalions still to be formed and they count on the US for that.

Talks continue on European questions at Presidential level and on overall financial and mil matters at specialists level.

Sent to AmLegation, Saigon 974; rptd to AmEmbassy, Paris (for info) 3996.

ACHESON

¹ Adm. Arthur W. Radford, Commander in Chief, Pacific.

² General of the Army George C. Marshall, Secretary of Defense.

795.00/1-3151

Memorandum of Conversation, by Mr. William M. Gibson of the Office of Philippine and Southeast Asian Affairs

SECRET

[WASHINGTON,] January 31, 1951.

Participants: M. Parodi, Secretary General, French Foreign Office.
M. Tezenas du Montcel, French Ministry of Associated States
M. Millet, French Embassy
Assistant Secretary Rusk—FE
Mr. Lacy—PSA; ¹ Minister Heath—PSA; Mr. Godley—WE; Mr. Gibson—PSA

Messrs. Parodi and Tezenas du Montcel came to the Department today at our request. Mr. Rusk opened the conversation by informing Mr. Parodi that the Department was giving increasing attention to the question of how we would eventually get out of Korea and stated that we were more inclined at the moment to the thought that a cease-fire should be arranged at the 38th Parallel. Mr. Rusk developed background for this reasoning at some length and appeared to have the understanding and concurrence of the French in the matter.

He then stated that while we were forming plans for our eventual withdrawal from Korea we were curious to know what French official thinking was concerning an eventual withdrawal from Indochina.

In replying Parodi referred immediately to the third hypothesis in the French *aide-mémoire* presented in conjunction with the Plevin-Truman talks ² and explained that although the third hypothesis had been included as among possible developments in Vietnam, the French believed there was very little likelihood of a negotiated peace. He referred to Ho Chi Minh as "the lion" and the Associated States as "the lamb" in any such negotiation. He also made reference to that portion of the *aide-mémoire* in which France expressed her concern over the fate of the rest of Southeast Asia if Indochina were to be forsaken. In response to Mr. Rusk's question whether the French thought any possible negotiation would be held with the Viet Minh or the Chinese Communists or both, Mr. Parodi replied that he believed any negotiation would be part of a general settlement for the whole of the Far East.

Mr. Rusk inquired whether the French had any thoughts concerning the holding of general elections in Viet Nam. Parodi replied that they

¹ William S. B. Lacy, Director of the Office of Philippine and Southeast Asian Affairs.

² The *aide-mémoire*, not printed, is described in telegram 974 to Saigon, January 30, *supra*.

recognized the possibility of such a development but considered the probability very unlikely for the foreseeable future. He explained that Pandit Nehru³ had pressed the French actively on this score during the course of his recent visit in Paris. He had pursued his well-known line that the existing governments of the Associated States could not really be called free and independent until there had been general elections in the three States and some sort of parliamentary bodies had been set up.

(Note: Parodi did not infer that President Auriol's letter to Bao Dai had been addressed solely at the instigation of Mr. Nehru. As a matter of fact the letter preceded Mr. Nehru's visit, but the French might easily have sent it in anticipation of the views that Nehru would express. During the course of this portion of the interview no direct reference was made to the Auriol-Bao Dai correspondence.)⁴

Tezenas du Montcel observed in French to Parodi on the side that Bao Dai was unalterably opposed to holding elections at this time. Parodi elaborated on this statement to Mr. Rusk in English and both men agreed that any consideration of elections was highly impractical.

There was a general discussion of the improvement in the overall situation since the arrival of General de Lattre in Indochina. Mr. Heath agreed with this and made specific comment on the subject.

Mr. Rusk commented on the need for publicizing the new developments concerning the Associated States both within the Associated States and in other Asian countries. Mr. Heath was asked to comment on this subject and agreed with Mr. Rusk's emphasis on the importance of propaganda work. The French had been weak in this regard in the past but the new information man in Saigon, M. Danou (?),⁵ appeared to be a great improvement over his predecessor. Mr. Parodi assured Mr. Rusk that the French were ever conscious of this problem and were endeavoring to improve the matter although he knew that the French were not particularly talented as propagandists.

The discussions terminated with Mr. Rusk's announcement that he expected to go to the Far East in the near future and hoped to pass through Paris on his way home and have an opportunity to confer further with Messrs. Parodi and Tezenas du Montcel and their colleagues at that time.

³ Jawaharlal Nehru, Prime Minister of India.

⁴ For information on the correspondence under reference, see telegram 1291 from Saigon, January 21, p. 355.

⁵ Jean Pierre Dannaud, Director of the French Information Service in Indochina.

751G.00/2-251 : Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

SECRET PRIORITY

SAIGON, February 2, 1951—noon.

1363. At luncheon yesterday De Lattre asked me whether I had received any information from Washington about Truman-Pleven discussion. I said only that I had hastily glanced at cable not completely deciphered (Deptel 974, January 30), which appeared be provisional account of first day's proceedings. I had noted the restriction on use of the *Langley* would probably be removed. De Lattre received this information with great enthusiasm stating it would be an important contribution to defense of Tonkin. He lambasted defense headquarters in France stating that French admirals hid behind restrictions imposed by MDAP to deny him the carrier. It was all of a piece with the thinking of the defeatist and write-off-Indochina school which had too many proponents both in government and in public. Too many people were playing to lose. He was playing to win.

He then asked me what further news I had of the talks. I said that I understood the conference had discussed possibilities of proposal for a permanent three-power SEA consultation between the US, Britain and France. De Lattre was definitely startled at this. He said it might have both good and bad aspects. Some kind of consultation was certainly desirable but it was all important that in next four to six months no provocation be offered Chinese and he thought that association of US and Britain in some kind of permanent headquarters might touch off Chinese reaction. He referred again, as he has so many times in the last few days, to the "situation intenable". Seizing his champagne glass to illustrate his point, he declared that the Indochina situation was as brimful of dire possibilities as the glass was of champagne. Pointing to rose centerpiece on table, he said any new pressure applied to present delicate balance, even if no heavier than rose petal, would cause catastrophe to overflow. For this reason he thought such a categorical step as creation of joint headquarters should be approached with great caution. I said I did not know whether the tripartite consultation in question was in nature of study group or something of more permanent and executive authority. De Lattre thought that former was preferable if its existence were kept secret.

Since it was clear that De Lattre was not fully briefed on French position at Washington talks I went no further into Deptel in reference except to state that prospects seemed hopeful for some kind of limited tripartite military conversations.

As the General reflected on idea of US-British French consultation it occurred to him that perhaps the proposal originated with General

Juin,¹ a possibility that appeared to exercise him greatly. (See Legtel 1358).² General Juin had now taken over job which he, De Lattre, had prepared for him and that job had to do with Western Europe. He could not understand why anybody in these conversations would make any proposals about Indochina which had not been cleared with him. He then declaimed at some length necessity of his having free hand Indochina and said that if he were going to be supervised by Juin there was all the more reason for him return to his native village in France and although his own requests for reinforcements were very modest, the European Command might claim all available military resources for Europe leaving nothing for Indochina.

As he had so often declared in last few weeks, General said if he could not get 10,000 or 12,000 men whom he had requested from Plevin he would definitely withdraw from his post.

Following lunch De Lattre remarked that he was urging Viets to install Cabinet in clean-cut opposition to Viet Minh and said individual Viets must break with habit of keeping side door contacts with Viet Minh. I asked General whether he thought Letourneau's recent speech about happily unclosed doors to contact with Viet Minh³ might not have encouraged Viets in course opposite to one he urged. De Lattre said he delighted I had asked this question but hoped "I would not ask to see the telegram which he had sent to Letourneau when he read that speech". He could assure me that it was all mistake and that no French Government leaders would make any further such statements. In his most recent utterances Letourneau had tried to clear away confusion. Letourneau was "chic type" and we mustn't misjudge him for this incident. It was indirect result of defeatism prevailing under prior administration. After De Lattre's recent successes in Tonkin there may have been tendency on part of French Government to look on this as favorable moment for reconsidering attitude toward Viet Minh. De Lattre added that he had very difficult interview trying to explain Letourneau's speech to Bao Dai in course of special visit made to Banmethuot for this purpose.

Since De Lattre thinks he has disposed of this failing on part of Paris, I imagine that paragraph 2c of Deptel⁴ in reference would have marked effect on his blood pressure.

¹ General Alphonse Pierre Juin, Inspector General of the French Armed Forces; formerly French Resident General in Morocco; appointed Commander of Allied Land Forces in Europe, September 1951.

² Telegram 1358 from Saigon, February 1, is not printed.

³ Reference is to a radio address by Jean Letourneau, Minister for the Associated States, January 17, reported in telegram 4170 from Paris, January 18, not printed (751G.00/1-1851).

⁴ Reference is to telegram 974 to Saigon, January 30, p. 368.

De Lattre left for Tonkin tonight expecting to be absent for ten days. At his request, Du Gardier⁵ called on me to ask if I could give him some résumé or excerpt of Department's telegram. I shall give him most carefully edited version based on foregoing.

It is possible he will ask Blancké for further information. If Department plans furnish Hanoi such information it may wish to indicate what De Lattre can see. In any case, hope French Government will shortly supply the General with its own account.

Legation comment on Deptel in reference will follow shortly.

GULLION

⁵ Roger Robert du Gardier, Diplomatic Adviser to the French High Commissioner in Indochina.

Editorial Note

On February 4, Donald R. Heath, United States Minister to the Associated States of Viet-Nam, Laos, and Cambodia, delivered an address over the NBC television network on the subject of "Indochinese Resistance to Communist Domination." For the text of his statement, see Department of State *Bulletin*, February 12, 1951, page 262.

740.5-MAP/2-651

*The Secretary of State to the Director of the Bureau of the Budget (Lawton)*¹

TOP SECRET

WASHINGTON, February 6, 1951.

MY DEAR MR. LAWTON: Under Public Law 843, 81st Congress, Second Session,² the amount of \$303,000,000 was appropriated for the purposes of Title III, including Section 303(a), of the Mutual Defense Assistance Act, as amended. To date requests for allocations of funds under Section 303(a) have amounted to \$174,463,400.

The Department of Defense has completed a study based on requests for military matériel assistance, including the "Tonkin List" of urgently needed requirements, submitted by the French military authori-

¹ In a letter of February 15, President Truman notified Secretary of State Acheson that he had allocated the funds requested in this communication (756D.5 MAP/2-1551).

² Reference is to the Supplemental Appropriations Act for Fiscal 1951, approved September 27, 1950 (64 Stat. 1044).

ties in Saigon, Indochina.³ This study has been made in light of the military factors involved in programming military assistance in the form of equipment, supplies, and training to accomplish United States objectives, within the limit of available funds, in the General Area of China.

As a result of this study the Department of Defense has submitted to the Department of State a program for the armies of Indochina in the amount of \$54,718,910. The first category of priority requirements amounts to \$50,387,032 and the second category of items amounts to \$4,331,878. In view of the limited funds available, the Department of Defense recommends that these listed requirements be met to the extent of \$51,000,000.

The Department of State has reviewed, in light of United States political objectives in Indochina, and has approved the first priority part of the program submitted plus such amounts of the second priority items of the program as will bring the entire program up to a total of \$51,000,000. The Departments of State and of Defense recommend that the President approve this program in principle.

If the President approves this program of military assistance in principle, it is requested that the President allocate to the Secretary of Defense the amount of \$51,000,000 in order that supply action can be initiated at the earliest practicable date. In view of the urgency for action arising from the critical political and military situation in Indochina, and in line with the President's public statement regarding the recent Pleven talks,⁴ I would appreciate your efforts in bringing this matter promptly to the President's attention.

As agreed previously, the allocation letter should specify (1) that the funds may be expended only to implement programs or projects approved by the Director, International Security Affairs, and (2) that the fiscal and supply reports prepared in accordance with the procedures approved by the Foreign Military Assistance Coordinating Committee to be supplied to the Department of State.⁵

Sincerely yours,

DEAN ACHESON

³ The "Tonkin List" of French military assistance requirements in light of the recent heavy fighting in northern Viet-Nam was brought to Washington by Minister Heath and General Brink for consideration at the Truman-Pleven discussions. The list itself has not been found in the Department of State files.

⁴ For the pertinent part of the Truman-Pleven communiqué, see editorial note, p. 366.

⁵ For documentation on military assistance to Southeast Asia, see pp. 1 ff. Documentation on overall aspects of the military assistance program is scheduled for publication in volume I.

SEAC Files : Lot 53D255¹

Minutes of the Thirteenth Meeting of the Southeast Asia Aid Policy Committee, February 7, 1951, 10:30 a. m.-12:30 p. m., at the Department of State

SECRET

SEAC M-13

Present :

Members :

Mr. Livingston T. Merchant (Alternate), Dept. of State²
Major General Harry J. Malony, Department of Defense³
Mr. A. Allen Griffin, Economic Cooperation Admin.⁴

Others :

Department of State

Messrs. Samuel T. Parelman, Executive Secretary
Donald R. Heath
Willard Galbraith⁵
William S. B. Lacy
John F. Melby⁶
Robert G. Efteland, Secretary

Department of Defense

Brigadier General F. G. Brink
Commander B. L. E. Talman
Mr. Kenneth T. Young⁷

Economic Cooperation Administration

Messrs. Shannon McCune⁸
Edwin Arnold⁹

Preliminary Remarks by Minister Heath on the Situation in Indochina

1. MR. HEATH reported that the situation was much brighter now than it had been three months ago mainly because :

a. The French forces now had a first-class commander. General de Lattre, and the tempo had picked up from a previous pedestrian rate.

¹ Files of the Southeast Asia Aid Policy Committee, 1950-1951. For documentation on the operations of this interdepartmental coordinating committee, see pp. 1 ff.

² Deputy Assistant Secretary of State for Far Eastern Affairs.

³ Consultant on Southeast Asian Affairs, Department of Defense.

⁴ Director of the Far Eastern Program Division, Economic Cooperation Administration.

⁵ Member of the Office of International Security Affairs.

⁶ Special Assistant to the Assistant Secretary of State for Far Eastern Affairs.

⁷ Assistant to the Acting Director of the Office of Foreign Military Affairs, Department of Defense.

⁸ Deputy Director, Far Eastern Program Division, Economic Cooperation Administration.

⁹ Deputy Director, Far Eastern Program Division, Economic Cooperation Administration.

b. U.S. military aid was arriving in time and in amounts sufficient for the French and Vietnamese effectively to contest the Viet Minh.

c. The Pau Conference Agreement had been consummated resulting in about 90% independence for the three Associated States.

2. MR. HEATH listed the following factors on the debit side of the ledger:

a. The possibility of an invasion by the Chinese Communists which would be particularly bad if it took place now and if their best troops were used. He sensed a mystic hope on the part of the intuitive and vigorous De Lattre that the Chinese would not come in. If the Chinese do not cross the border at this time, if the French succeed in establishing their defensive perimeter some 60 miles from Haiphong, and if supplies continue to come in, the French and Vietnamese forces should be able to carry on an extensive delaying action.

b. The political picture was quite gloomy, although vigorous men might be included in the new government which he expected to be formed in the near future. Progress in the political field was further complicated by an inadequate information service, the head of which had just been replaced. Minister Heath believed that the situation needed a Churchill at this juncture and that Bao Dai, while far from being idle, was certainly no Churchill. Another important factor was the glimmering of defection from the Viet Minh forces although this development is hindered because of strong family ties and because of the surveillance of the Communist police.

Preliminary Remarks by General Brink on the Situation in Indochina.

3. GENERAL BRINK stated that the French Air Force had been doubled in the last four months. It would be capable of knocking down any Communist Chinese air cover put into battle unless the Chinese Communists drew from most of their South China units, which was not considered probable because of the situation in Korea and Formosa. He said that the navy was improved and now had some 60 vessels patrolling inland waters in addition to privateers (under the navy's control) which were maintaining long-range reconnaissance and observing movements between Hainan and Communist-held China.

4. The army has received 80 good howitzers, large numbers of mortars, machine guns, and signal equipment. French units, including infantry, artillery and engineers, are operating out of Tonkin in numbers up to regimental combat teams and were much more mobile. They are able to commit the Viet Minh and determine the size and the direction of the attack through their ability to de-truck and take off cross country. Moreover, the Viet Minh are being affected adversely by the napalm bombs used by the air force.

5. The bad element in this otherwise favorable picture is that the French are taking great losses while they succeed in meeting the enemy, destroying his forces, and occupying his territory; and, for

the present there are no unit or individual replacements forthcoming. At present there appeared to be no solution to a problem which about eight months from now would not be so important because of the availability of replacements by use of the Vietnamese now being trained. He remarked that General de Lattre was hoping to secure a division from France as the only possible solution to holding the Tonkin area (the Haiphong-Hanoi delta area). There will be some risk if these troops are not forthcoming since the loss of Tonkin would place the Chinese Communists in a better position to move into Thailand without crossing the mountains and to join Viet Minh forces in south and central Indochina. He stressed the importance of holding Tonkin since it might well decide whether the whole of Southeast Asia could be held.

[Here follows discussion on Indochina and other subjects.]

851G.00-TA/2-851 : Telegram

*The Chargé at Saigon (Gullion) to the Secretary of State*¹

CONFIDENTIAL

SAIGON, February 8, 1951—8 p. m.

1389. ReLegdes 467, January 25. Dugardier HICOM diplomatic counselor asked Legation representatives brief him on Point IV program prior his leaving for Hanoi where he will see De Lattre. He felt latter would ask Dugardier explain program.

At meeting February 7, Dugardier said he has been worried by phrasing of Legation note which could be taken indicate that USIS, STEM and Legation under new program might be supporting each other in way which could lead to criticism, particularly by circles in HICOM sometimes suspicious of US intentions such as planning and economic counselors and by certain circles in France. These circles might claim that Viet Minh were right after all, that US attempting through Point IV use its power penetrate Indochina economically and culturally. The implication was that by associating STEM, USIS and Legation in organizing program US could appear be consolidating its forces in order exert greater pressure on association and HICOM. He himself understood this not case, but reluctant discuss program with De Lattre and economic chiefs before he had had fuller explanation. Legation representatives explained: (1) US Government desire initiate program rapidly as possible for propaganda and morale building purposes; (2) it had been enthusiastically welcomed by other SEA countries, so that it might be awkward if Associated States could not participate; (3) it was somewhat similar

¹ This telegram was transmitted in two parts.

to Commonwealth technical assistance program² with which Associated States already were associated; (4) it was modest in scope and could be started on trial basis; (5) Legation note re program had been made as simple as possible avoid rigidity in considering approach; (6) US Government fully realized France and Associated States' position on priority to be given to former's experts; (7) not necessary US technicians under Point IV be assigned to Associated States themselves—they could be attached to Legation or other US agencies in Saigon as most appropriate and as now done under STEM, and (8) reason for including USIS and STEM interests in Legation note was that Point IV projects might be similar in certain respects to work already accepted as responsibility these operating agencies and Legation anxious assure that program adequately coordinated—procedure suggested was only an administrative device.

Dugardier explained he understood US position and intentions, but had been afraid others in HICOM might be unduly worried. He himself thought program could be carried out by assignment US technicians to US agencies and by making it clear they were only assisting on purely temporary basis. Perhaps best approach would be to give impression US assistance part of a broader plan to study conditions, and upon request, make recommendations for SEA countries as whole. He felt any personnel assigned should be ones who could handle delicate situation with understanding of French peculiar position vis-à-vis Associated States. Dugardier throughout interview emphasized French cultural interests. He felt US lecturers might visit Indo-chinese institutions for series of lectures, certainly not as part of staff. Assignment fiscal technicians to US agencies for both study of Associated States problems and advice thereon might be less difficult.

Legation representative saw Tran Van Tuyen, Secretary State Foreign Affairs, February 8. Tuyen repeated Huu's approval of program (see Legtel 1321, January 27),³ stated it had been discussed with Bao Dai, and that government would "soon" be submitting request for fiscal and economic experts. These could be attached to Legation and should be considered as "officer"—one who wishes render service—rather than "official"—one who belongs to the administration. Indeed government hopes eventually even French experts will fall within first categorization. Under present peculiarly delicate circumstances, in any event, Tuyen explained it would be necessary proceed carefully.

Comment: Legation feels De Lattre's interest in program evidenced by briefing Dugardier wished to have before seeing former supports (on assumption Department does not wish face review basic

² For information on the Colombo Plan, see footnote 3, p. 281.

³ Not printed.

tenet of French priorities in technical assistance) desirability: (a) of proceeding cautiously with inauguration Point IV in Indochina, and (b) of approaching it on specific project by project basis.

Sent Department 1389; repeated info Paris 607.

GULLION

751G.00/2-1251: Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

SECRET PRIORITY

SAIGON, February 12, 1951—11 p. m.

1419. 1. While I shall see President Huu tomorrow and expect hear his latest explanation current cabinet crisis,¹ it possible that it may continue for some time to come as indicated Legtel 1418.² I should therefore like to know whether Department wishes me take any positive steps. It will be recalled that in Legtel 1157 of January 1 Legation listed number measures to be taken by US "if IC was to be held". One of these, to which highest priority attached, was "pressure on Bao Dai to form and lead government of national union".

2. During Minister Heath's absence I have not asked see Bao Dai, nor have I been convoked by him except for brief New Year's ceremony described Legtel 1380.³ In meantime, it has become increasingly clear that Huu and his own advisors do not know why or are not prepared admit that he being systematically put off by Bao Dai in his efforts form government. Tuyen's latest explanation is that Bao Dai attempting chasten French, who expressed their views on proposed cabinet in vigorous fashion, by holding up approval cabinet until last possible moment before De Lattre's scheduled departure for France.

3. De Lattre would probably not desire return to Paris leaving vacuum on Viet side of government here. It seems to me that Bao Dai running risk of collision of wills with De Lattre which can only end in damage to Viet sovereignty or in worsening relations between French and Viets.

4. Whether or not we should put any "pressure" on Bao Dai, Department may wish me try find out what he trying to do. If he trying get rid of Huu, it may be that he not unalterably opposed to proposals made to him recently by Huu element, such as formation of assembly and definition prerogatives of chief of state, and may grant these to government headed by Governor Tri.

¹ Since January 20, Prime Minister Huu had been negotiating unsuccessfully with various political and religious elements in search of the basis for a more broadly constituted government.

² Telegram 1418 from Saigon, February 12, is not printed.

³ Telegram 1380 from Saigon, February 6, is not printed.

5. While I do not think it would be proper or wise at this stage to express any opinion about Huu's leadership or on any of individuals proposed for cabinet, Department may wish Legation to point out:

a. That it obviously dangerous to Viets' national security to continue their cabinet crisis, and prejudicial to opinion that may be formed abroad as to viability of its government for present cabinet crisis to continue (My British colleague has already expressed himself in this sense to Huu and given Huu permission cite his views to Bao Dai);

b. That although we not in position to say that time has come when it feasible constitute appointive assembly and government of national union, we think these desirable goals and would help strengthen international position of Vietnam.

6. Would Department therefore instruct me as soon as it may be feasible to do so whether,

(*a*) Department wishes me see Bao Dai,

(*b*) If so, whether I should confine myself to simple explanation present internal political situation, or

(*c*) Convey to him something like views contained in paragraph 5 above, either as my personal thinking on subject or as reaction my government.⁴

Priority sent Department 1419, repeated info Paris 614, Hanoi unnumbered.

GULLION

⁴ In telegram 4778 from Paris, February 13, Minister Heath (in Paris for discussions with French and U.S. officials on his return trip to Saigon) stated the following: "I think it would be useful for Gullion to see Bao Dai but do not believe he should state that it is obviously dangerous to Viet national security to continue their Cabinet crisis or that foreign opinion is being prejudiced as respect to viability of Vietnam Government were Cabinet crisis to continue. I believe we should avoid any accusation of intervening in Vietnamese internal politics." (751G.00/2-1351)

The same day, in telegram 1051 to Saigon, the Department of State advised Gullion as follows: "Unless interview with Huu radically alters considerations outlined reftel [telegram 1419 from Saigon], Dept agrees it wld be desirable you seek interview Bao Dai. You shld express US Govts growing concern over prolongation cabinet crisis and, as suggested, sound out Chief of State's reasoning and objectives in crisis. Concentrate remarks on considerations outlined para five *a* and *b*. It is important that you avoid any implication US favors or disfavor current or any other slate both in Bao Dai and Huu conversations. You may wish refer to fact indecision favors fence-sitters and generally undermines prestige Chief of State and his Govt." (751G.00/2-1251)

On February 13, Gullion met with Huu. Telegram 1425, February 13, indicated that he listened to the views of the Prime Minister but did not set forth a U.S. position (751G.00/2-1351). Three days later, Bao Dai received Gullion at the latter's request. In telegram 1454 from Saigon, February 18, Gullion reported expressing himself in the sense of paragraphs 5 *a* and *b* of telegram 1419. Bao Dai stated that he was aware of public and international concern over the crisis, disclaimed personal responsibility for it, and assured Gullion that a new government would be announced in a day or two. (751G.00/2-1851)

751G.00/1-2751: Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, February 16, 1951—3 p. m.

1071. 1. Dept notes report Saigon's 1320 Jan 27 repeated Paris 583¹ that Huu believes application Assoc States for UN membership will be ready this month. In view Sov veto in SC no possibility admission Assoc States exists and only practical question is polit effect of UN discussion and vote now. Effect might be favorable if discussion revealed that Sovs were only opponent Assoc States' aspirations. On other hand, effect decidedly adverse to interests Assoc States and France if discussion demonstrated as it probably wld, that Asian states were skeptical of Assoc States independence and that many other countries were lukewarm in support.

2. Applications wld come first to SC, where wld probably be referred to Membership Comite. On basis past cases, seems likely pointed questions wld be directed to Govts of Assoc States and France in Comite concerning actual degree of independence. Matter cld be brought later to GA in effort secure $\frac{2}{3}$ majority for request that SC reconsider and declaration that Assoc States meet Charter qualifications. In Membership Comite, SC and GA opponents wld utilize occasion for hostile propaganda.

3. Attitude most SC members not yet indicated. Only 6 SC members have recognized one or more Assoc States: Brazil, Ecuador, France, Neth, UK and US. All these might vote favorably although strength their support uncertain. On other hand, Yugo and USSR have recognized Ho's regime. India has made strong reservations about Assoc States and wld probably vote negatively or at best abstain. Turkey and China might support. Many neighboring Asian states wld seriously question present readiness of Assoc States for Membership and wld probably abstain or vote adversely if matter came to GA. Attitude of Commonwealth not definitely known. Net effect submittal membership applications at this juncture wld, therefore, probably be provide opponents with propaganda opportunity against Assoc States and Fr, tend crystallize opposition India and other Asian States, and display lack solidarity support non-Communist world generally.

4. Both the Assoc States and Fr are well aware of US support in many ways for development participation Assoc States in internatl affairs. For example, we have fully supported Fr lead in sponsoring their admission specialized agencies.

5. We assume both Fr and Assoc States will agree that effect on their own interests of presentation membership applications will be adverse unless they receive solid support of non-Communist, particu-

¹ Not printed.

larly Asian states. Therefore, assume such step will not be taken until Assoc States and Fr have received advanced assurances gen support of UN members.

6. If matter is again broached by Vietnam auths you may point out substance of above.

7. Paris shld bring our views to attention FonOff if Fr raise matter.

Sent to AmLegation Saigon 1071, AmEmbassy Paris 4323; rptd info USUN New York 717.

ACHESON

751G.5/2-2251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, February 22, 1951—9 p. m.

1478. De Lattre tells me he expects leave for Paris early next week with fair hopes obtaining needed reinforcements. He will ask net increased 12 additional combat battalions plus communications and service units totaling some 20,300 men, of which 6,300 would be French, 7,000 African and other colonial troops and 7,000 Indochinese auxiliaries to be recruited locally.

General Juin, in his trip to IC after Caobang disasters,¹ had stated French forces should be increased by two divisions whereas he, De Lattre, was asking for only 12 battalions equal to 1½ divisions. (In Washington General Juin told me that he thought he could give De Lattre 10 battalions.)

De Lattre showed me a sheaf of letters to French military and civilian authorities asking support for his requests. He had also sent letter to De Gaulle² by Admiral Ortoli, French Naval Commander for Far East who is a De Gaullist. De Lattre was very gratified with letter he had just received from Eisenhower³ and is replying urging that his request for reinforcements to IC will not prejudice the aims of NATO.

Attachés, General Brink and myself are convinced necessity of De Lattre's receiving temporary reinforcements he asks.

Prior my departure, De Lattre considered he would be in danger if Chinese invade any time before June 1, i.e., start of rainy season. He now thinks danger period runs only until May 1. By that time his defensive preparations in Tonkin Delta will be in advanced stage.

Sent Department 1478, repeated information Paris 643.

HEATH

¹ Reference is to the serious defeats sustained by the French in Tonkin during September and October 1950.

² General Charles de Gaulle, leader of the Rally of the French People (RPF); President of the French Provisional Government, 1945-1946.

³ Not found in the Department of State files.

751G.00/2-2451 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, February 24, 1951—7 p. m.

1496. New Viet Government has now taken over although its formal investiture will be temporarily delayed.¹ Its reception by public has been at best tepid. Last minute Dai Viet withdrawal capping previous refusals catholics, VNQDD, Cao Dai, Hoa Hao and independent nationalists to participate new government has provided dramatization narrow base on which second Huu Ministry rests and of measure of its difference from national union project at first envisioned. With 12 to 14 of 16 ministers Cochinese, no new figures of true national stature added, and Huu himself occupying 4 or 5 most important posts, the strength of new Viet Government resides almost solely in south Vietnam particularly and French support.

There is not one figure in this Cabinet capable, on basis of record, of providing popular inspiration or enlisting public enthusiasm. Majority of 16 ministers are generally believed or suspected of being strongly pro-French or subservient French interests. There is no single figure with history of energetic accomplishment in government with exception Huu and possibly Vinh.² Huu has grown in stature since last fall when he gained some temporary prestige by his newspaper criticism of French policy, and his survival present crisis will have increased his reputation.

From standpoint of protagonists in this period of emergency, Huu and Saigon have been victorious over Bao Dai, Dalat and Hanoi. Bao Dai might have continued his earlier strategy of insisting on Dai Viet participation in new government or he might have refused approve new list and withdrawn Huu's mandate. He did neither. I would hazard that his explanation will run along line of allowing Huu and his coterie to discredit themselves. But his acquiescence to new Cabinet which accomplishes none of purposes of his national union project appears complete abandonment, even to surrender of Hue or Dalat for Mao [*Huu?*] investiture, of his brief essay at real leadership.

French role in this later period of crisis is far from clear. That Huu enjoys their confidence is evident and De Lattre may well have felt government crisis and political maneuvering had to be eliminated

¹ The formation of a new government was announced on February 18. However, at the first cabinet meeting, February 21, Nguyen Huu Tri (Minister of National Defense) and Phan Huy Quat (Minister of Education) resigned in protest over the refusal of Prime Minister Huu to grant additional portfolios to the Dai Viet party. In the reconstituted government announced the same day, Tran Van Huu held the positions of Prime Minister, Minister of Foreign Affairs, Minister of National Defense, and Minister of the Interior.

² Nguyen Trung Vinh, Minister of Finance.

at any cost. He now plans leave for Paris February 27. De Lattre is evidently far from enthusiastic over this government as I gather he expects that its tenure may not be prolonged. I think it premature, however, to write off Huu government. Nor do I believe that the opposition will have early success in ousting him or that the scattered and somewhat venal opposition elements, in their anger over new government, will foment popular disorder or defect to Viet Minh.

As for Huu, he now seems to hold all the levers of Viet command. He has given proof of certain quiet, obstinate force and the ability to survive. He is an industrious man. He has the broad progressive program of Bao Dai's Tet address,³ his own advocacy of initiation of representative assemblies, and widely recognized necessity for immediate activation national army on which to build. But even if he does obtain temporary measure of success his government does not approach the ideal which our policy had hoped for. It offers no strong appeal to nationalists; it is not clear answer to political and social propaganda of Viet Minh.

Fact is that Ho Chi Minh is only Viet who enjoys any measure of national prestige. Far after him would come Ngo Dien [*Dinh*] Diem, the catholic leader now in US. In talk in Paris Pignon told me that he had come to conclusion only solution would be for Bao Dai to entrust formation of government to Diem and he added that Prince Buu Loc, Bao Dai's representative in Paris, who has considerable political insight, had tacitly agreed with him.

I learned this morning that Tri and Quat were at Dalat yesterday with Bao Dai but I gather that Tri did not succeed in reversing Huu. I will see De Lattre when he returns Saigon first of week and Bao Dai, by latter's invitation, on either 27th or 28th. By this time situation between north and south as well as the vigor and the directions of new government may be considerably clearer. As of this date, however, it must be acknowledged that none of the events since last December, Pau agreements, transfer of revenues, decision to activate national army, Bao Dai's appeals for unity and support, dynamism of new HICOM, French victories in north, and the Tet program, has had appreciable impact on the Viet political mind.

Sent Department 1496, repeated info Paris 651.

HEATH

³ Bao Dai's lunar New Year address, February 6, announced plans for economic development and agrarian reform. The Chief of State also indicated that upon the restoration of peace, the people of Viet-Nam would be called upon to determine their form of government. The text of the address was transmitted to the Department of State as enclosure 9 to despatch no. 503 from Saigon, February 14, not printed. (751G.00/2-1451)

310.2/3-251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, March 2, 1951—6 p. m.

1537. Legtel 1320, January 27.¹ I have heard nothing further re readiness this month Vietnam application for UN membership although prolonged cabinet crisis would doubtless have deferred any such plans. In view Deptel 1071, February 16, I have not volunteered interest in subject during recent conversations with Huu and government members. We agree, of course, that careful exploration member sentiment should precede submittal Associated States applications and that until Asian views, to which India lamentably seems key, change in all or part, no encouragement should be offered to States re applications. We believe, however, that we must continue to impress upon Asian Governments in every manner diplomatically feasible changes in status of Associated States which have occurred since last December and which are still occurring. Process of transfer of ex-French national services has just begun and only immigration, posts and telecommunications and certain sections of foreign commerce have as yet been transferred to Vietnamese administration due to unreadiness latter to take them over. As balance national services so transferred, as real activation national army develops, and as parliamentary assembly project to which both Bao Dai and Huu now committed takes shape, actual degree of independence will seem more persuasive.

We would suggest, however, that consideration of UN discussion and vote cannot be limited to its political effect on Associated States alone but must include France as well. It now seems generally agreed that major Chinese thrust would cause French and Vietnamese to appeal to UN. Most critical period for future of Far East would be presumably first few weeks immediately following upon unmistakable signs of Chinese invasion IC. Basic question is whether French Union forces would be committed to utmost in resisting this invasion prior to or during UN negotiations or whether these same negotiations would be used as occasion to husband or withdraw French Union forces. Two matters will in all probability control French decision: First, understandings which exist between US and UK on one hand, France on other during present pre-invasion period, and second French estimate of probable UN response to appeal for assistance. We cannot appraise in Saigon question whether antiaggression member sentiment might be mobilized if formal membership applications behalf Associated States were already pending, whether such applications immaterial to UN decision, or whether more favorable UN action might be anticipated if first hearing for Associated States

¹ Not printed.

was on issue of Communist aggression. We are convinced that such questions must be concern of highest councils of French policy and as such are most germane to US position re Associated States UN applications. If previous understandings with their Western allies are unsatisfactory or if UN support believed questionable in event Chinese Communist aggression, pressure in France will, of course, mount against indefinite commitment French Union Army here. Preservation of French forces in IC might then well become principal French concern.

Sent Department 1537, repeated info [garble] Hanoi unnumbered.

HEATH

751G.00/3-251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, March 2, 1951—8 p. m.

1540. My immediately preceding telegram 1539 March 2 is most disturbing reflection of Parisian thinking re Indochina and is precise reaction we have feared since first indications approaching French Cabinet crisis.¹

While Indochinese situation is, of course, only segment of many elements of concern in French crisis; pressing needs of war time operations here make it peculiarly critical. Most urgent aspects of Indochinese problem are French Union reinforcements and activation of national army. Re former, De Lattre's whole strategy is based on early arrival reinforcements and their emplacement in prepared positions prior May 1. Re national army, it would be more than unfortunate if prolonged Cabinet negotiations should further delay decisions on budgetary support, office cadres, and training mechanism. No situation would seem more strongly invitational for new VM offensives during March than French Governmental paralysis.

I know these considerations are as grimly apparent in Paris and Washington as in Saigon and am sure that we will make utmost permissible contribution to early resolution French crisis, or, alternatively, if crisis persists, to effecting some means by which French executive may make interim decisions in next few critical weeks.

¹The Cabinet of René Pleven resigned on February 28 in consequence of disagreements within the government coalition on plans for electoral reform. The crisis was not resolved until March 10 when a new coalition government was formed by Henri Queuille. The Ministers of Foreign Affairs (Schuman), National Defense (Moch), and Associated States (Letourneau) were retained from the Pleven Cabinet. Information on the government crisis is scheduled for publication in volume IV.

Telegram 1539, not printed, reported on a newspaper article which alleged the government crisis had relegated the problem of Indochina to second place in French eyes (751G.00/3-251).

De Lattre's travel plans have been indefinitely postponed pending reconstitution Cabinet. We will, of course, attempt to push ahead for Vietnamese decisions on national army project as our first concern in present Indochinese situation.

Sent Department 1540, repeated info Paris 671, Hanoi unnumbered.

HEATH

751G.00/3-651 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, March 6, 1951—7 p. m.

5197. Deptel 4323 February 16 (sent Saigon 1017). Foreign Office has not raised with us question submission application Associated States for UN membership and we have therefore in accordance Department's instructions refrained from making any comment to Foreign Office on this subject.

Embassy agrees with considerations adverse effect on Associated States and France, set forth in paragraphs 1 and 7 reftel, as it seems almost inevitable that India and most neighboring Asiatic states would vote against such application and thus tend give propaganda advantage Soviet bloc. For these reason Embassy agrees desirability Associated States and French not taking action in this regard without first obtaining assurances general support UN members.

In this connection, with reference final paragraph Saigon telegram 1537 March 2 (repeated Paris 669) Embassy inclined believe that, in absence indication general support for Associated States membership UN, position Associated States with respect any possible UN action would probably be more favorable if initial hearing for Associated States took place as result Chinese Communist aggression and that question whether membership applications Associated States before UN would be under these circumstances immaterial.

Department pass Saigon; sent Department 5197, repeated Saigon 350.

BRUCE

851G.00R/3-851 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, March 8, 1951—10 a. m.

1567. I had conversation with De Lattre two days ago which, taken in conjunction with his talk with Blum (see Toeca 227, March 3)²

¹ This telegram was transmitted in two parts.

² Not printed.

represents very disturbing development. I had to break off my conversations with De Lattre because of the hour and therefore did not report it hoping continue it next day. Unfortunately De Lattre has been running low temperature, presumably because of long-standing ear infection and has not been receiving visitors.

De Lattre told me that he had asked me see him because of an article by Tilman Durdin in *New York Times* which mentioned that new Huu Government was meeting with criticism from "nationalists" as having too many members identified with French interests and observed further that Americans were disappointed see Tri leave governorship in north because of his ability utilizing American economic aid. De Lattre said his advisors had wanted him censor this despatch. He had refused but was "hurt" since the Durdins had enjoyed his hospitality and facilities. I told him I thought the article was not harmful their policy or prestige but when occasion arose I would discuss with Durdin passages De Lattre objected to. I reminded De Lattre however he had recently enjoyed an excellent press in the US for his accomplishments here and advised against doing anything to interrupt this generally good relations with American correspondents. Certainly there would be from time to time articles he would dislike but on other hand there would be many which would be very helpful to him and all interests concerned. As he knew, our American press was fiercely independent and resented any efforts at influence or censorship. He then remarked that Viet Minh would seize on this article for material for its accusation that Tri is America's "straw man". He added that if he thought Tri was our "straw man" he would withdraw his support of him. I remarked humorously but very emphatically that, of course, he knew perfectly well that we neither had nor wanted any of what he called "straw men". In view his recent remarks to Blum I told him I thought it advisable review main lines our policy with which he was undoubtedly familiar. We were here to supplement but not supplant French efforts and assist loyally in supporting the evolutionary policy of support and independence for Associated States within French union. We were occasionally accused by certain disgruntled Viets "Nationalists" of supporting French designs and I had argued with Viets who had voiced distrust and complaint of French intentions of granting true independence to Vietnam. I added that I had never lost any such argument with one exception of one with an irrational Viet Minh sympathizer.

I said he knew our policy looked toward maintenance of fraternal arrangements of Associated States with metropolitan France and that we appreciated advantage to India of maintaining association

with states of British commonwealth. De Lattre interrupted here to say that, of course, Associated States could not enjoy same status as former British colonies within commonwealth since France had spent too much wealth and blood in protecting them. I let that rather surprising observation go by without comment or reply.

De Lattre then returned to question of ECA activities saying the irrigation dam project in north would not meet needs of present military situation. He admitted it had been approved by former French commander and when latter were thinking in terms of defense against overt Chinese invasion but said it might interfere with his operation plans in the new situation. We must, he said, consider any arrangements made with Pignon administration as subject to review or cancellation in view of change in situation. ECA he said was giving only six million piasters for road projects in Tonkin which would cost 100 million piasters and making large publicity for this contribution which was very small. I contented myself with remark that, of course, we would discuss any projects and listen to any suggestion for ECA projects in military area. (I have just sent letter to De Lattre pointing out that his commander in north has just confirmed previous approval of irrigation project. This project, by the way, would restore some 25,000 acres of land to cultivation before next rice planting and provide livelihood for several tens of thousands of Viets in the refugee-ridden north.)

In conclusion I again referred to [garble] and disinterested character of our policy. I said humorously that I took philosophically fact that some Viets and unfortunately good number Frenchmen here could not believe our policy was as disinterested and altruistic as it in fact was. I had to interrupt De Lattre good many times during this interview to get in my own statements but it ended in customary friendly fashion.

In addition my own talk with De Lattre, a member of military mission tells me he recently talked with Colonel Beaufre of De Lattre's staff. Beaufre quoted De Lattre as having said to him recently that "Heath was a dupe, presenting an honest face while all sorts of American machinations were transpiring behind our backs."

Whatever cause, we are confronted with sudden access of suspicion and objection to American operations and policy in Vietnam on part De Lattre. This may be caused by resentment at amount publicity which American economic and military aid to Vietnam has received and De Lattre's resentment may have been deliberately fanned by some of De Lattre's civilian advisors who are of old colonial stripe. I do not believe any of his French military hierarchy hold any such sus-

picious or resentment our aims and programs. They are on contrary most appreciative of the excellent armament they have been receiving. Again it is possible that French Surete has been giving De Lattre tendentious reports concerning movements and activities of ECA and other American personnel. It may also be that with the Chinese menace possibly lessened and postponed by reason our operations in Korea and with De Lattre's victories over Viet Minh last January, De Lattre and his Cabinet here are having return of confidence and feeling of self sufficiency and with that a desire turn back to days when French authority and influence were exclusively maintained.

I hope have frank talk with De Lattre at earliest possible moment.

Sent Department 1567 repeated information Paris 681, Hanoi unnumbered.

HEATH

751G.5/3-1151 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET NIACT

SAIGON, March 11, 1951—7 p. m.

1602. Urgent for Ambassador or Bonsal.¹ If you see no objections please transmit urgently following message from me to: General Eisenhower.

General de Lattre de Tassingny expects arrive Paris Thursday, March 15. Main purpose his trip is obtain for 1951 the reinforcements about which he recently wrote you.² He asks me to inform you that he would greatly appreciate your receiving him for few moments early Friday, March 16. I understand he wishes explain necessity of reinforcements at this time and bespeak your understanding and possible support of his point of view. He suggests that there be no publicity about this first visit to you; in his words that he would call "incognito". Later, if you are agreeable, he would like call formally and publicly to pay his respects. His reason for making first visit incognito is that his call on you would precede his call on the President of the Republic and President of Council of Ministers and if that fact became known it might arouse criticism.

I believe that you receiving him as requested would be most helpful to our problem and situation here. Would appreciate your replying urgently by cable through Embassy. Regards. Heath American Minister.
End message to Eisenhower.

¹ Philip W. Bonsal, Counselor of the Embassy in France with personal rank of Minister.

² Letter not found in the Department of State files.

I hope Embassy will push Delattre's request,³ perhaps giving Eisenhower copy my immediately following telegram.⁴

Sent niact Paris 692, repeated information Department 1602.

HEATH

³ Telegram 4729 to Paris for Ambassador Bruce, March 11, repeated to Saigon for information as telegram 1175, read as follows:

"With re to 1602 Mch 11 from Saigon, while not objecting to delivery Heath's msge to Gen Eisenhower, Dept's belief is that Delattre shld not be encouraged to try to secure commitments from Gen Eisenhower before he consults his own Govt; Moreover, that visits of this sort without approval of French Govt might prove embarrassing in our relations with other French mil and pol figures. Dept of course defers to Gen Eisenhower's judgment in the matter but Emb shld not 'push Delattre's request'." (751G/3-1151)

In telegram 351 to Saigon, March 12, repeated to the Department as telegram 5321, Ambassador Bruce stated that the message had been conveyed to General Eisenhower and that "while General would, of course, be very happy to receive De Lattre openly after his arrival Paris, could not agree to a visit on any kind of incognito or clandestine basis." (751G.5/3-1251)

⁴ Telegram 1603 from Saigon, sent to Paris as telegram 693, March 11, not printed, contained Heath's account of an extended exposé of the military situation presented to him by General de Lattre de Tassigny on the evening of March 10 (751G.5/3-1151). See telegram 1608, p. 394, for a brief summary.

751G.5/3-1151: Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

TOP SECRET

PRIORITY

SAIGON, March 11, 1951—9 p. m.

1605. At noon yesterday De Lattre gave luncheon in honor of Sarraut, Governor of IC 40 years ago. Before the lunch, De Lattre approached me and said that he had just received my letter² and thought he could reconcile the ECA irrigation project at Sontay with his military plans and in general thought there need be no conflict between us regarding America's aims to extend American influence in IC. I interrupted to say that was not our aim and I thought we should have a very frank talk as soon as possible. He fixed the hour at 7 p. m.

For more than two hours he discussed the military and political situation in Viet Minh [*Nam*]. (See preceding Legtels numbers 1603 and 1604 dated March 11, repeated Paris 693 and 694.)³ I had the impression he wished to avoid a discussion of the conflict of American and French aims in IC which he had alleged in his last talks with me and with Blum.

Finally I interrupted to say that I had been disturbed over the insinuations in our last talk that American policy and operations were pursuing a course inimical to legitimate French policy in Indochina.

¹ This telegram was transmitted in two parts.

² Letter not identified.

³ Neither printed.

We had come into the area with a supplementary program of arms and economic aid, and had recognized Bao Dai on the request of the French Government and on assurances of the sincerity of French policy for revolutionary development of the independence of the Associated States within the framework of the French Union. This continued to be American policy and there was determination in Washington and the Legation that we would carry out this policy locally. If he had any criticism of our carrying out our policy, I hoped he would voice it frankly and immediately to me. If his criticism were founded, I would take prompt action to correct the American persons or operations concerned.

De Lattre replied: "I am a soldier, not a diplomat, and am accustomed to speak frankly without any detours." I interrupted him saying that I was a diplomat accustomed to speak clearly and with the frankness that must characterize the diplomacy of any really great nation.

But De Lattre did not, as might have been expected from his initial statement, launch into a frank bill of complaints. Instead he delivered a long, and I thought an excellent analysis of the state of French spirit as a result of the last war and French economic losses and inferiority. France would revive but, meanwhile he and we as the dominant nation must reckon with the inferiority complex and feeling of the humiliation in the French Government and among their people and particularly among the French officials and the French colony in Indochina.

I said I had made it my endeavor to see that the Legation staff should recognize the legitimate position France should enjoy in Indochina as a result of her sacrifices of blood and treasure, and asked for any particulars wherein we had failed of such recognition.

The only specific complaint that De Lattre then brought forth was that at Hanoi annual "Kermesse" or charity festival, last winter, the USIS exhibit had the most impressive and [apparent omission] exhibit putting French exhibits in shade. As result he had not attended the Kermesse.

I remarked that the size had been awarded by the Vietnamese authorities and that I, and doubtless he, had observed that the Viets fairly frequently yielded to the very human temptation of showing undue attention to Americans with idea of promoting rivalry and conflict between French and Americans. He agreed with a smile to this statement and said that such actions were to be expected from Vietnamese and were not to be taken too seriously. He appreciated that I had acted loyally and only asked that in our operations we used attitude and moderation that took into account French susceptibilities and interests. I replied we would of course keep that in mind.

In spite our declared policy of cooperation there were, De Lattre

alleged, forces in the US that were pushing American policy in IC to actions injurious to French prestige but he accepted my assurance that our official policy remained firm in the lines of cooperation laid down year ago. I could count on his complete frankness, which he had just displayed, in his exposition of the Viets military and political situation.

He would not have thought that such a pitch of confidence and frankness would have been reached in our relations in mere matter of three months.

Comments: I doubt that as a result of our talk De Lattre is entirely cured of his suspicions of American activities which are constantly fanned and refomented by certain members of his entourage. I believe however our talk did a good deal to put him straight and I hope our relations will henceforth be good. They are bound to be sometimes marred by the unpredictable squalls of De Lattre's susceptibilities and temperament.

I would appreciate Department's comments or instructions with respect to conversation reported in this telegram and mytel 1567, March 7.⁴

Sent Department 1605, repeated info Paris 695, Hanoi unnumbered.

HEATH

⁴ For text of telegram 4820 to Paris (repeated to Saigon as telegram 1188), March 15, which contains a comment by the Department of State, see footnote 1, p. 402.

751G.5/3-1251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET NIACT

SAIGON, March 12, 1951—1 p. m.

1608. There is undeniably some awkwardness in De Lattre proposal for confidential talk with Eisenhower (Deptel 1175, March 11)¹ but war at times requires cutting directly to heart of matter. Key to entire range French plans and operations in Indochina is question reinforcements De Lattre has requested and which both Chief MAAG and MSA certify as reasonable in number and critically urgent in need. De Lattre is gambling he can make Paris trip and return before new VM offensive opens last 10 days March (Legtel 1603 March 11).² He must get his answer on reinforcements shortest possible time for strategy French defense Tonkin depends on availability, numbers, arrival date reinforcement troops. If VM attack opens in fact between

¹ For text, see footnote 3, p. 392.

² Telegram 1603 is described in footnote 4, p. 392.

March 15-20 De Lattre must be able communicate his instructions to field commanders in light reinforcement probabilities.

Attitude Eisenhower toward transfer metropolitan troops to Indochina is the important element. Le Tourneau indicated to me in Paris-French could come to no decision re reinforcements in absence Eisenhower views and De Lattre obviously holds same opinion. I think we must assume De Lattre knows current Indochina military situation better than any French military or political figure now in Paris. His length stay France, presentation of problem, appraisal difficulties will all depend on what he can learn of Eisenhower's views re operating concepts for European defense. He believes he must see Eisenhower immediately; he proposes to do so confidentially as a friend; he has asked our assistance only in transmitting his message. He certainly has no wish create friction between himself and French Government officials at this particular time, and I believe he can be counted on to handle matter smoothly.

Re possible embarrassment in our own relations with French figures, De Lattre wants to see Eisenhower not as US officer or representative but as Supreme Commander NATO military. I suggest first the urgencies of war in Indochina must take precedence over the possibility, which I doubt is very great, that French military or political officials may display a temporary pique and second that problem cannot be conceived terms Washington-Paris relationship alone but must include Saigon and the defense of SEA as well. In any event I am more than confident that De Lattre's personality is so well-known in Paris that assuagement possible injured dignities would be no great task for our representative there.

Please reply urgently.

Sent Department 1608, repeated info Paris 696.

HEATH

751G.5/3-1451 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, March 14, 1951—2 p. m.

5380. Saigon telegrams 1567, March 8, 1605, March 11 and 1612, March 13¹ (repeated Paris 681, 695 and 699). While French misgivings US role and aims Indochina are not new story, it is somewhat distressing that at this critical juncture and at time when American aid Indochina is playing important part in enabling France and Associated States meet Communist threat these misgivings and suspicions

¹ Telegram 1612 from Saigon, March 13, is not printed.

should suddenly come to fore through expression by De Lattre himself. I am pleased to note frank and forthright manner in which Heath met situation in his talks with De Lattre and, unless Department perceives objection, I shall be glad to use occasion of De Lattre's visit to Paris to follow through on this subject in an effort to make crystal clear that we are in Indochina only in effort to assist and to supplement and not supplant French. Although this is an oft-repeated theme, its forceful repetition to De Lattre should do no harm and I can use Heath's report of his talks with De Lattre as excuse for bringing up subject.

Department pass Saigon; sent Department 5380, repeated info Saigon 354.

BRUCE

751G.00/3-1451 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

CONFIDENTIAL

SAIGON, March 14, 1951—6 p. m.

1621. All dailies March 13 carried brief item according to which regular Chinese Communist army contingent March 12 crossed frontier at Ban Nam Cuong approximately four kilometers from Lao Kay in pursuit of some 50 fleeing Nationalist guerrillas. Chinese Communists were stated as having retreated across border same day while guerrillas were disarmed and provisionally interned at Phong Tho.

Comment: Chief Chinese Affairs Bureau ComRep has informed Legation that Chinese Communist force first crossed border March 9 in attempt to capture retreating guerrillas and, in course of this operation, raided Ban Nam Cuong post, causing no damage but making prisoner one Thai border guard. On March 11 second and larger force appeared on IC territory, causing Ban Nam Cuong garrison to withdraw without resistance and capturing 22 Thais and one French officer. Invading force similarly retreated across border before night-fall. French believe prisoners were removed to China, for purposes intelligence interrogation. Per informant, French plan no protest Peking, preferring to treat incident as of scant significance. Guerrilla internees will shortly be amalgamated with those presently Phu Quoc Island.

It thus appears evident French policy of refusing acknowledge Peking's acts of aggressive animosity along IC border continues uninterrupted.

Sent Department 1621: repeated information Paris 704, Taipei, Hong Kong 163, Hanoi unnumbered.

HEATH

S/S Files : Lot 63D351 ¹: NSC 64 Series

*Progress Report by the Under Secretary of State (Webb) to the
National Security Council*

TOP SECRET

WASHINGTON, March 15, 1951.

Subject: First Progress Report on NSC 64, "The Position of the United States with Respect to Indochina".

NSC 64, "The Position of the United States with Respect to Indochina", was approved as government policy on March 27, 1950.² It is requested that this first progress report as of March 1, 1951, be circulated to members of the Council for their information.

I—Policy Implementation

Military Aid

The Military Aid Program to Indochina enjoys the highest priority immediately after the military effort in Korea. The first deliveries began in June 1950 and by the end of January 1951 military assistance totalling approximately \$50 million had been delivered to Indochina. Approximately \$113 million in further military aid already has been programmed and is at varying stages in the supply process. An additional \$52 million of military aid is now being programmed out of remaining FY '51 funds and something approaching \$170 million for this purpose has been included in the tentative budget estimates upon which the President's FY '52 budget was based. This aid program follows in general the request submitted to the United States Government by the French Government in March 1950. During August 1950 Indochina was visited by a Joint Survey Mission under the chairmanship of Mr. John Melby of the Department of State, of which Major General Erskine, USMC was the senior military member. The mission recommended that the United States continue its efforts to supply the assistance requested by the French in March 1950, with certain additions. Equipment already delivered to Indochina, or enroute, includes various aircraft, naval vessels, equipment for twelve infantry battalions (less small arms), and miscellaneous equipment and ammunition, supplied both from the United States and the United States Far East Command. In addition to the military assistance initially requested, matériel has now been requested for the equipping of national armies in each of the three States. The cost and availability of this matériel is not unknown.

U.S. military aid already received in Indochina has increased the capability of the State forces and French Union forces considerably.

¹ Master File of National Security Council documentation, 1947–1961, retired by the Executive Secretariat of the Department of State.

² For the text of NSC 64, dated February 27, 1950, see *Foreign Relations*, 1950, vol. VI, p. 744. It was adopted by the National Security Council on April 18, 1950, and was approved by the President on April 24.

If aid already furnished had not been supplied, those forces would not have been able to maintain their present positions. It is realized, however, that American assistance is supplemental to, and does not replace the primary responsibility of the three States and of the French Republic.

Indochina Foreign Relations

The United States has continued to extend political support to the States of Cambodia, Laos and Vietnam. *Agrément* has been granted for the first Cambodian Minister to the United States. The United Kingdom has sent a diplomatic representative to the three States. Vietnam is planning to open a mission in Bangkok and has sent a minister to London. Cambodia has named a minister to Bangkok.

The three State Governments have been recognized by some 30 powers. They have been elected to membership in several UN organs such as FAO, WHO and ILO. The USSR and its satellites, including Communist China, have recognized the Ho Chi Minh movement as constituting the legal government of Vietnam, but not of Cambodia and Laos.

Although the Government of Thailand and the Republic of Korea have extended diplomatic recognition to the three Governments, the majority of the Asian states continue to be apathetic toward recognition. This attitude is based on an anti-colonial rather than a pro-Communist sentiment. The result, nevertheless, has been indirectly to encourage the Communist-directed Viet Minh forces through failure to support the legal governments. The French Government has done little in the past to publicize the progressive transfer of authority to the three States, which was completed by the end of 1950. In external affairs, the French Government has the right to be consulted on the selection of diplomatic posts, designation of Chiefs of Missions and negotiation of international agreements. The continuing presence in Indochina, however, of a French High Commissioner and some 70,000 French troops, as well as the fact that France continues to finance, to a large degree, the budget deficits of the three State Governments, may constitute in Asian eyes evidence of continued French control. A withdrawal of French financial and military support would result in rapid successes by the Viet Minh forces and the formation of Communist governments within the three States. Asian states are only slowly becoming aroused to this threat to their own independence as a result both of United States efforts to identify it and of Chinese activities in Korea and Tibet, in addition to Indochina.

Indochina Internal Situation

Internal administration was transferred by the French to the State Governments on December 30, 1949, except for certain powers reserved to the French High Commissioner and certain interstate matters to be settled by an interstate conference. This conference was concluded

in November 1950 when it was agreed that all internal administration would be turned over by the French to the State Governments by December 31, 1950. However, the piastre would continue to be pegged to the franc (at a rate highly beneficial to the piastre); the French have military base rights similar to those of the United States in the Philippines as provided in the United States-Philippine Treaty; and French functionaries would continue to carry out certain educational, war damage, and French military security functions. Other French functionaries would be employed by the Associated States only as desired by the latter.

The three State Governments are now limited in their assumption of powers only by the availability of qualified indigenous officials, their dependence on continued French financial support and their lack of popular support. The planned formation during 1951 of national armies is expected to contribute toward the actual attainment of sovereignty in each State. This should have a beneficial political effect in winning additional popular support for the governments.

The most severe threat to the continued growth and even to the continued existence of the State governments is the increased capability of the Viet Minh forces, resulting from the extension of military and matériel aid from Communist China. There is also some evidence of Soviet support. Such aid from Communist China began in April 1950, and has increased steadily. Up to now, light artillery, mortars and automatic weapons have been shipped to Indochina for the Viet Minh. Training centers in South China have trained and equipped some 50 Viet Minh battalions which have returned to Vietnam. The capacity of the training centers has been estimated at 10 to 30 thousand men rotated about every three months with some 50,000 having already completed their training. It has been reported that there are 15 to 20 Chinese technicians with each China-trained Viet Minh battalion, usually directing the artillery. The capability of these troops is rated as equal to that of French Union Forces. Chinese Communist troops in South China, within easy striking distance of the border, are estimated at two to three hundred thousand. Airfields at the border posts evacuated by the French are available to the Viet Minh, and air training is reportedly being conducted in China. However, no Viet Minh air power has yet been used, and in this respect the French Union Forces hold a present advantage due almost entirely to United States Military Aid. French Naval power is also superior but is incapable of interdicting all small craft smuggling arms.

The Viet Minh forces have the present ability to continue to occupy the major area of Tonkin (North Vietnam), and to threaten the two large cities of Hanoi and Haiphong. Scattered elements throughout central and southern Indochina, continue to have a harassing ability, preventing peaceful conditions and the resumption of orderly life

and trade. With continued assistance at the present level from Communist China, the Viet Minh forces will remain a serious threat to the ability of the States and the French Union Forces to defend and hold the major portion of Indochina. If massive Chinese Communist armies actually invade Indochina, such an attack could not be successfully resisted by the presently available forces and most of Indochina could be overrun within a matter of months.

The ability of the State and the French Union Forces to maintain their present positions in Indochina, therefore depends only upon the absence of an actual Chinese Communist invasion in force. Their ability to improve their present position, that is, defense against the Viet Minh as presently augmented by Chinese Communist aid, will depend upon continuing materiel and financial aid from France and the United States, and the skill with which such resources are utilized.

II—*Policy Evaluation*

The policy adopted in NSC 64 and the measures taken to implement it have made a valuable contribution toward the stability of Indochina and of Southeast Asia. American military aid furnished the States' forces and the Army of the French Union may have been the decisive factor in the preservation of the area against Communist aggression.

Future policy with regard to Indochina will be the subject of new studies now under preparation for the NSC.

JAMES E. WEBB

751G.00/3-1651 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, March 16, 1951—8 p. m.

5476. Ref Saigon tel 1622 Mar 14 (rptd Paris 705).¹ We do not believe newly-formed French Govt likely view IC problems in light different from that of its predecessor. With respect gen question Bao Dai—Huu relations, FonOff officials, while admitting French Govt did take a hand in recent Vietnamese Cabinet crisis, state French Govt keeping hands off this contest and views it as internal struggle for power Vietnam. It seems inevitable, however, French Govt wld take strong stand in event clash between Bao Dai and Huu developed to point where it threatened seriously impede French effort IC. It also seems likely that De Lattre, given his temperament and inclinations, wld take a hand in matter, either with or without instructions from Paris, even before such a struggle had progressed to point of having serious adverse effect on IC situation.

¹ Not printed.

In view Min Associated States responsibility for IC problems and known FonOff reluctance become too closely involved in IC problems unless they relate to foreign policy, any French intervention from Paris on this matter wld probably come from Min Associated States or, if problem considered sufficiently important, might be matter for discussion in Council of Mins. There have been no indications here that French Govt was considering giving up on Bao Dai solution. De Lattre's statements quoted in para Nr 3 Saigon tel 1694 [1604]² Mar 11 (rptd Paris 694) give indications his thinking on this subject. While FonOff officials have expressed regret Bao Dai's failure exert leadership at time of crisis, they have certainly given no implication of belief that Huu wld himself provide solution. On contrary, French Govt must be aware of Huu's limited natl appeal in Vietnam and wld hardly be likely support him to extent of eliminating Bao Dai at this juncture. Re question whether Vietnam to be monarchy or republic, FonOff officials state such decision can be reached only after restoration peace permitting elections and do not consider this question as one of current importance.

In this connection, French correspondent familiar with IC scene recently remarked to us that elections for assembly even in peaceful areas might at present carry risk that some Viet Minh adherents might be elected and thus be given opportunity embarrass both French and Vietnamese.

It is believed that in gen French polit attitudes toward IC are likely, in absence fundamental change in situation, continue in their present path. Emb will, however, continue follow this question and report any pertinent developments.

Dept pass Saigon, sent Dept 5476 rptd info Saigon 359.

BRUCE

² Telegram 1604 is not printed. In the paragraph under reference, Heath reported remarks by General de Lattre de Tassigny expressing continued support for Bao Dai (751G.5/3-1151).

751G.5/3-1751 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, March 17, 1951—7 p. m.

5504. From MacArthur.¹ Reurtel 714, March 17, rptd Dept 1646.² De Lattre saw Gen Eisenhower this morning. Fol is summary of conversation:

De Lattre told Gen Eisenhower he was expecting largescale Viet

¹ Douglas MacArthur, II, Counselor of the Embassy in France.

² Telegram 714 from Saigon to Paris, March 17, read as follows: "Did De Lattre see Eisenhower and if so how did conversation go?" (751G.5/3-1751)

Minh attack (about 85 battalions) between Mar 20 and April 5. He expected repel this attack but because of lack strategic reserves he wld be unable subsequently to counterattack and destroy Viet Minh forces. Rainy season wld then set in during which Viet Minh with Chi assistance wld regroup for massive attack next Sept.

De Lattre said he was asking French Govt for twelve battalions infantry. These forces coupled with Vietnam battalions he was organizing and training wld permit him repel Viet Minh offensive in Sept and then pass to counterattack and deal Viet Minh forces decisive blow. Successful carrying out this plan wld have great effect uniting all Vietnam elements in solid opposition to Ho and wld also win support of substantial group Vietnam fencesitters. Furthermore, Chi Commies were practical people and when they saw their aid to Ho was resulting in no real accomplishment they wld be less ready to see it frittered away.

De Lattre said he realized Gen Eisenhower cld not intervene directly this matter. Said everyone in French Govt but Moch and possibly Schuman wld support his request. He hoped if Gen's opinion were sought he would bear foregoing in mind and wld adopt as benevolent an attitude as possible. Also said he wld guarantee that if the twelve French battalions were loaned him he would return them to integrated NAT force by Mar '52 and that they wld then represent battle-trained and effective troops.

Gen Eisenhower expressed sympathy for problems De Lattre was facing in IC and said if matter were referred SHAPE it wld be most carefully studied.

Mtg took place in atmosphere of cordiality and good will. De Lattre mentioned twice fine work Heath was doing in IC.

Dept pass Saigon 360; rptd Dept 5504. [MacArthur.]

BRUCE

751G.5/3-1751 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET NIACT

SAIGON, March 17, 1951—10 p. m.

1653. Deptel 1188, March 15¹ was Legation's first intimation that project of De Lattre visit to Washington had been revived. When I

¹ Telegram 4820 to Paris (repeated to Saigon for information as telegram 1188), March 15, read as follows:

"Urtel 5380 Mar 14. Dept concurs in your stated intention to use occasion De Lattre's visit to Paris to reiterate our position and aims in IC. Dept is equally pleased with forthright manner Heath has defended our position and believes your efforts toward same end with De Lattre will facilitate task considerably.

"Your discussing this matter particularly helpful in light of possible visit to Wash for we wld seek, insofar as possible, to have Gen disabused of any remaining misgivings in advance of rather than during Wash sojourn."
(751G.5/3-1451)

was in Washington a month ago, some consideration was given to De Lattre's making a brief visit of a purely military consultation but the time was then judged inopportune. Certainly it rankles in De Lattre's mind that he has never been asked to visit the States whereas Montgomery² and his competitor for French military honors, General Juin, have made such visits. I learned at my dinner for De Lattre three days ago, De Lattre said to Brady,³ Public Affairs Officer, that most countries had invited him to make a visit, only the US had not extended an invitation. De Lattre went on to say that he knew the reason which was that he had the reputation of "being difficult". Brady, who is liked by De Lattre, inquired with a deadpan expression, "Is there any justification for this reputation, My General?" De Lattre hesitated a moment and answered, "No."

We do not know whether it is contemplated that De Lattre might accompany Auriol on latter's visit to States⁴ or make trip separately. Visit would doubtless contribute to De Lattre's improved understanding of US and American motives but I am very pleased Bruce intends review our policy and intentions with De Lattre for De Lattre both likes and respects him. This should be most helpful in relieving his mind of unfounded but persistent misgivings.

I am less certain about advisability our pressing for De Lattre visit to US at this particular time for following reason:

(1) Next six weeks will be very critical time with probability major Vietnamese offensive fairly well confirmed by all our intelligence. If large-scale attack comes De Lattre's leadership will be needed here.

(2) Whether De Lattre proposes make visit alone or with Auriol, he will doubtless expect to receive at least all military honors and full publicity as wartime chief Rhine-Danube Army and present French opposite number to MacArthur in Pacific. I suspect he will also expect political recognition as High Commissioner with receptions by appropriate US officials. If time does not permit such program to be arranged, visit might well boomerang.

(3) Inasmuch as visit by King Cambodia was declined last year, visit of Hun was discouraged in January, and no invitation has ever been extended to Bao Dai, local political effect might be most unfortunate in our own relations with Associated States at this time.

(4) De Lattre would probably desire bring back some tangible evidence of successful trip, either increased MDAP, activation tripartite staff talks, or definite US guarantees assistance in event Chinese Communist invasion. Unless we prepared offer one or more we probably would have to contemplate somewhat affronted De Lattre.

² Field Marshal the Viscount Montgomery of Alamein, Chief of the Imperial General Staff; Chairman of the Commanders-in-Chief Committee, Western Union.

³ Leslie Snowden Brady.

⁴ President Auriol visited the United States from March 28 to April 4. Documentation on his visit is scheduled for publication in volume IV.

(5) I must finally express some foreboding that De Lattre's fairly unpredictable personality might in his discussion of US aid with Pentagon officials not advance his cause. From point view our overall policy, it would be most unfortunate if present smooth operations were to be temporarily jolted.

Our own thinking inclines to view that if impending Vietnamese attack in north occurs and De Lattre is successful in repelling it, he might then appropriately be asked to pay visit to US as victorious French Commander in Far East, as builder Vietnamese National Army, and as one of outstanding military leaders World War II. US visit might at that time be arranged for De Lattre enroute to Paris for new consultations and conceivably could be coordinated with joint Far East staff talks.

At same time announcement this De Lattre visit made, we might also state that we look forward to early visit Vietnamese monarch or Prime Minister or Chief of Staff as case might be. We would thus seek to emphasize that De Lattre was making visit in a military capacity, while political visit would be made by official of independent Vietnam. If Department approves this project, some intimation of forthcoming invitation might be given De Lattre in Paris at this time.

Sent Department 1653; repeated information Paris 716.

HEATH

751G.5/3-1851 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, March 18, 1951—2 p. m.

5509. Embtel 538 [5380], Mar 14 and Deptel 4820 Mar 15 (rptd Saigon 354 and 1188).¹ De Lattre came for lunch Mar 17 directly from Natl Def Comite mtg. In atmosphere of utmost cordiality during tea hour conversation De Lattre gave resume military situation (see Embtel 5504, Mar 17, rptd Saigon 360) and Vietnamese internal questions much along lines Saigon tels 1603 and 1604 Mar 11 (rptd Paris 683 and 684)² and discussed these and other Indochina problems with considerable frankness.

1. De Lattre did not give account of Natl Def Comite mtg and did not state definitely he wld obtain reinforcements requested but did seem relatively optimistic his request wld be met at least in substantial part. Technical mtgs this subj begin tomorrow.

2. In reply direct question he made clear real problem in relation formation Vietnam Natl Army was that of cadres and officers, that US military aid supplies were arriving in sufficient quantities and at rate sufficiently rapid enable equipping these forces and that rate

¹ For text, see footnote 1, p. 402.

² Neither printed, but see footnote 4, p. 392 and the first footnote 2, p. 401, respectively.

deliveries US military aid had no relation to any delay in formation Vietnam Natl Army.

3. He said he had had "a little hour" morning Mar 17 with General Eisenhower who had proved "most understanding" and had promised see him again.

4. De Lattre gave opening which enabled me to raise question US role in Indochina by referring to Blum's remarks to him that Amers were young nation imbued with missionary zeal for accomplishment tasks facing them and that this was spirit in which they operated in Indochina. I took opportunity to emphasize that we were concerned only with assisting French effort Indochina and De Lattre quickly stated and then reiterated that there was no misunderstanding on his part but that he did sometimes have feeling STEM was perhaps a bit "missionary" in its zeal. He denied that there were any real "suspensions" US motives. We discussed this point at some length and while his suspicions may not have been altogether dispelled, at least he may have benefited by repetition of idea US has no aims in Indochina other than those apparent to all, that of assisting in meeting Commie aggression. When reference was made to Emb conversations with Pignon in Paris in May 1950 and to understanding reached at that time with respect STEM role Indochina, De Lattre good humoredly but pointedly remarked that he was not a "Pignon". He then launched into eulogy of US representation in Indochina, naming Heath, General Brink, Gullion, Brady and Blancke with great warmth and said that he had told Fon Min Schuman since his return here of outstanding caliber of US reps Indochina.

5. He appeared relatively optimistic with respect to future military developments Indochina. An important problem was that of establishment political atmosphere which wld convince *attentistes* and non-Commie intellectuals in Viet Minh camp that Ho Chi-minh had no chance succeed. He believed that political atmosphere of success of this kind wld play great part in solving problem and by end of year might result in bringing *attentistes* and Viet Minh non-Commie elite, convinced of their security, over to Bao Dai.

6. He said Bao Dai's health with recurrent attacks malaria made it impossible for him to stay Saigon or Hanoi and he had to remain therefore at Dalat. He made unmistakable his conviction that there was no alternative to Bao Dai, making point that it was not a Bao Dai "experiment" but a Bao Dai "solution". He expressed hope and belief that Governor Tri cld be persuaded to accept post Def Min within next month or so but was not complimentary of Governor Giao. He said that post Chief of Staff was in itself relatively unimportant while post Def Min was essential one in creating Vietnam Natl Army.

7. I did not raise with him question his visit Washington.³

In summation, I wld say that De Lattre displayed all qualities for which he is famous, being both pointed in his remarks and exhibiting most friendly attitude toward US and its reps Indochina, repeatedly emphasizing his real friendship for latter and his appreciation their assistance and understanding his problems. He apparently expects

³ General de Lattre de Tassigny did not visit Washington prior to returning to Indochina.

decision to be made regarding his request for reinforcements by middle this week and says he may not be able stay Paris as long as he intended if decision reached in view anticipated Viet Minh offensive which might come almost any day in strength.

Pass Saigon. Sent Dept 5509, repeated info Saigon 361.

BRUCE

851G.00-TA/4-251

*Memorandum of Conversation, by the Chief of the United States
Special Technical and Economic Mission at Saigon (Blum)*¹

CONFIDENTIAL

[SAIGON?], March 19, 1951.

I saw Bao Dai for half an hour this morning for a final meeting prior to my departure for the United States.

I opened the meeting by saying that I was going to the United States, where I would undoubtedly be asked to report on what STEM had been doing and what prospects were for the coming year. I therefore desired to have any comments that Bao Dai might care to give me. He started off by saying that there were two ways of looking at the problem in Vietnam, the military and the political. In his opinion the political was far more important than the military and the failure of the French to understand this was one of the reasons for all the present difficulties.

Bao Dai said that he understood very well the delicacy of STEM's position and the difficulties we had in operating. He realized that to some extent the Vietnamese Government had to deal with us in a very discreet and even covert manner in order to obtain our aid without offending French sensibilities. The fact was that Vietnamese needs were so great that as much aid as we could give could be well used. However, the political situation made this difficult. He referred to the fact that if he wishes to come to us to ask for a radio station for Dalat (Nguyen-De referred to the same project when I saw him briefly before seeing Bao Dai), he would have to do so most discreetly. He pointed out that the French were already accusing us of mixing up in local affairs. Later in the conversation Bao Dai, probably thinking back on this same question, said that while it is desirable for us to bring our aid as actively as circumstances permit, we should not give it too much publicity. He said that we were well known by this time and everybody would know that it was American aid that was being given. However, it was better not to publicize it too vigorously. I have the impression that Bao Dai once again had in mind French sus-

¹ Transmitted to the Department of State in despatch 602 from Saigon, April 2, not printed.

ceptibilities and that over-publicizing American aid would merely result in embarrassing him.

I pointed out to Bao Dai that the publicity given to American aid helped serve the political purpose of making the Vietnamese realize that America was interested in their welfare. He said that he fully recognized this and he thought that American aid was a matter of great importance because he could point to it in telling the people that it was Bao Dai who had made this possible.

Bao Dai spoke of the present difficult political situation and said that it reminded him of the situation ten years ago. When the French found themselves in a weak position as a result of Japanese invasion, they (Admiral Decoux)² were extremely amenable toward the Vietnamese. However, just as soon as Allied victories started in Europe and French strength began increasing, the French once again became difficult and *intransigent*. Bao Dai said it was the same thing now as a result of the victories at Vinh Yen. However, he pointed out that this was only a relatively small victory and there might still be trouble ahead. His own attitude, he said, was one of "souplesse" and "patience" and he asked that American opinion understand the difficulty of his position. He said it would take time to resolve the present problems and one must not expect such accomplishments overnight. French pressures were too strong for him to be able to combat the situation vigorously. To try to do so would serve no good purpose. He gave two specific examples: (1) Tran-van-Huu had told Bao Dai that de Lattre had stated that if Tran-van-An³ were appointed Minister of National Economy the French would prevent the exportation of 30,000 tons of rice, so badly needed to exchange for Indian jute. (2) Last week Giao's VBD troops in Central Vietnam had been seriously attacked by large Viet Minh forces. In spite of their insistent calls for help the French refused to send reinforcements. The reason was that Giao had insisted he be given responsibility for defense of a particular sector and now the French were callously allowing him to suffer defeats in order to teach him a lesson. (When I was in Hue a few days ago Giao showed me the full documentation on this particular incident, including the various exchanges of telegrams.) In summary, Bao Dai repeated that the situation was bad and was to some extent getting worse.

In conclusion, he asked merely that the United States understand his position and he emphasized that the aid which we bring is of great benefit, even though the results are not seen immediately.

ROBERT BLUM

² Vice Adm. Jean Decoux, Governor-General of Indochina, 1940-1945.

³ South Vietnamese politician.

790.5/3-2051 : Telegram

The Secretary of State to the Legation at Saigon

TOP SECRET

WASHINGTON, March 20, 1951—11 a. m.

1215. Re tripartite mil talks.¹ Joint Chiefs on Mar 13 approved US items for joint agenda and transmitted them to Fr and British mil reps Wash. Those govts invited respond submitting their views on US items and proposing their own. Joint Chiefs suggest talks be held Singapore beginning by mid-April. Adm Struble² US chief deleg Gen Brink Deputy. Fol are US agenda items:

"1. A review of the situation in Indochina and Southeast Asia.

2. Recommended mil courses of action in the current situation to secure Indochina, Thailand, Burma, and Malaya.

3. Probable effects and recommended subsequent mil courses of action in case of Commie uprisings within Thailand, Burma, or Malaya.

4. Probable effects and recommended mil courses of action in the event the Chi Commies invade Indochina, Thailand, Burma, or Malaya.

5. Other unconventional warfare measures to be employed in Indochina in support of guerrilla activity.

6. Measures for coordinating convoy, routing and protection of shipping arrangements in the South China Sea-East Indian Ocean area."

Sent to AmLegation Saigon 1215, AmEmbassy Paris 4904, Am-Consul Singapore action 572, AmEmbassy London 4256.

ACHESON

¹ For extracts from the conference report of the Singapore Tripartite Talks on Southeast Asia, May 15-18, see p. 64.

² Vice Adm. Arthur D. Struble, Commander of the U.S. Seventh Fleet.

751G.00/3-2151 : Telegram

The Chargé in France (Bohlen) to the Secretary of State

SECRET

PARIS, March 21, 1951—9 p. m.

5608. Min Associated States official this afternoon informed us that Council Mins Mar 20 approved decision National Def Comite re reinforcements IC subject to further conversations interested Mins with De Lattre. This official says no final decision has yet been reached. He explains difficulty comes from Min Nat Def, centering chiefly around Moch, and that problem is how Fr can meet commitments for Western Eur Def if cadres and specialists requested by De Lattre are sent IC. He states Min Overseas Fr Mitterand¹ has also expressed

¹ François Mitterand.

some opposition due reluctance release forces from Africa, including communications and other specialists needed by De Lattre. Officials say that De Lattre plans depart for Saigon Mar 24 and that final decision expected to be made before that time. Director FE Affairs FonOff stated today he had no info re question reinforcements IC beyond that which has already appeared in press and which has been reported by Emb in previous tels. Buu Loc tells us that in conversation with him today De Lattre stated he expects to have his needs met in sufficient part to enable him to counterattack by Aug or Sept and that he is leaving Mar 24 for Saigon to be on hand for anticipated VM offensive, for which he has already made all necessary dispositions.

Since National Def Comite and Council Mins have given approval apparently in large part to De Lattre's requests, it seems unlikely that arrangements will not be worked out to meet his essential needs. Emb will continue follow matter and report pertinent details.²

Department pass Saigon; sent Department 5608, rptd info Saigon 367.

BOHLEN

² In telegram 5665 from Paris, March 23, Bohlen reported the following:

"De Lattre told me today that he has obtained everything he wanted and needed and showed me letter signed by Prime Minister Queuille stating that Council Ministers had decided give full satisfaction to all demands De Lattre with respect reinforcements and replacements Indochina. Letter mentions 12,000 new men for Indochina, although proportion French and African forces in this number not clear. He also said that within a year and a half he would be able to return these new troops and thus reduce drain on France and that by end of this year, with new Vietnamese formations and continued US military aid deliveries, he could have stable situation Indochina. He expects leave for Saigon March 24 or 25." (751G.5/3-2351)

751G.5/3-2351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, March 23, 1951—7 p. m.

1693. Intelligence continues to confirm imminence of major Viet Minh attack which even French now admit may have closer issue than January Vinh Yen offensive. De Lattre's preparations seem well in hand and his intelligence on enemy plans unusually complete. Basis uncertainty is intentions Chinese Communists during or immediately after Viet Minh attack. There is some reason to fear that absence clear-cut US statement re consequences Chinese Communist invasion may tip scales Chinese Communist leadership in favor aggression or might even weaken Fr resolve for all-out defense.

I wish to propose, therefore, that statement warning against invasion be issued either by Secretary, Departmental spokesman or by

me in Saigon. Last might be preferable if adverse US press comment followed. I wld suggest brief statement on following lines:

"Reports coming to our attention point to steady build-up of Chinese Communist forces and military stockpiles in South China. While these accumulations may be only part of war of nerves, which Chinese Communists have been waging for some time against independent Associated States Governments, an overt invasion by Chinese armies, or an overt aggression by Chinese 'volunteers' of the territory of the Associated States wld not fail to constitute a grave threat to the peace of the world."

If statement is to have desired effects, it shld be made soonest, subject, of course, to prior Fr approval.¹

Sent Dept 1693; rptd info Paris 727.

HEATH

¹Telegram 1249 to Saigon, March 23 (repeated to Paris for information as telegram 5104), read as follows: "Dept's immediate reaction to proposal contained urtel 1693, Mar 23 is that statement cannot be made at this time. Dept giving constant attention this matter and urges you continue report all available intelligence info. You will be kept informed of US intentions as situation develops." (751G.5/3-2351)

751G.001/3-2451: Telegram

The Minister at Saigon (Heath) to the Secretary of State

CONFIDENTIAL

SAIGON, March 24, 1951—5 p. m.

1704. Long awaited merger Lien Viet and Viet Minh occurred at 5-day National Congress of Unification held somewhere Vietnam at beginning of March, according to series VM broadcasts which started March 19. New entity natl union front of Vietnam or Mat Tran Lien Viet Quoc Dan Vietnam, which will be popularly known as the Lien Viet Front (LVF) will also include former DMH revolutionary league or Cach Man Dong Minh Hoi, as new people's front on East European model.¹

Unification Congress was chairmanned by Ho Chi Minh, "founder of Viet Minh and Lien Viet". Congress was opened by Father Pham Ba Tru, self-styled leader Catholic progressives, who spoke from dais surmounted by portraits Stalin, Mao, Kim Il Sen [*Sung*],² Thorez,³

¹Two significant organizational events occurred in the Viet Minh movement in early 1951. At a founding congress held from February 11 to February 19, the Indochinese Communist Party was reconstituted as the "Viet-Nam Lao Dong Dang" or "Viet-Nam Workers Party." For the Manifesto and Program of the Viet-Nam Lao Dong Party, see Allan W. Cameron, ed., *Viet-Nam Crisis: A Documentary History*, vol. 1: 1940-1956 (Ithaca: Cornell University Press, 1971), pp. 160-175. For extracts from the Manifesto and Program, see Denise Folliot, ed., *Documents on International Affairs, 1951* (London: Oxford University Press, 1954), pp. 663-670.

The "Congress to Merge the Viet Minh and Lien Viet Fronts" convened on March 3. For the text of the Program of the Lien Viet Front adopted at the congress, see Cameron, *Viet-Nam Crisis*, vol. 1, pp. 175-182.

and Ho. Ho made principal address saying in part: "I am at height of happiness today that national union for which we have worked for so many years is bearing fruit. I am all the more happy that our people have been joined by the two brother people, Cambodia and Laos. We are going to realize soon great union of Vietnam, Laos and Cambodia. This union will be able to overwhelm not only one but ten enemies of stature of Fr colonialists and of Amer interventionists if by chance they dare to appear against us. So shall we bring our stone to the building of the defense of peace and democracy in world."

Opening resolution was voted to: (1) Acclaim spirit of union which animates LV and VM; (2) realize unification single unified national front called Lien Viet Front; (3) assist LVF carry out its program for union of masses, cohesion of workers and peasants, assistance in bringing Laotian and Cambodian resistance movements nearer to that of Vietnam and integrating them world movement for defense of peace; (4) establish status of LVF by inspiring it with spirit union, doctined democracy, respect for independence various parties, acceptance collective criticism and use of self-criticism to move from progress to progress; (5) form bloc of alliance among Vietnamese, Laotian and Cambodian people based on mutual equality and reciprocal aid in struggle against common enemy and in establishment of three independent and prosperous states. Another resolution established directives for general counter-offensive which cited manifesto WPV for union working classes and whole people to overwhelm enemy invader and complete preparation for general counter-offensive. Directive itself unpublished but apparently concluded "our people have at their disposal three precious arms, the workers army, the peoples armed revolution, and then the national union. Behind us we have the great, immense block of 800 million Democrats, led by USSR and on other hand our forces are tightly linked with those [garbled] people. Under leadership closely united WPV our people will counter-attack victoriously".

LVF "profession of faith" also broadcast: (1) The LVF is for peace, with USSR leading campaign and USA preparing third world war to repair damage suffered from second, to save economy in crisis. Democratic and pacifist Vietnams sided immediately and definitively with camp of democracies; (2) LVF is for independence. Vietnam was free and independent for thousands of years but in 1862 colonialists invaded our country, et cetera; (3) LVF is for union. Our principal enemies are colonialists, Amer interventionists, and treacherous puppets. Our mission is their emasculation and consolidation, extension our people's demo regime.

² Prime Minister of the Democratic People's Republic of Korea.

³ Secretary-General of the French Communist Party.

Officers new LVF are: Hon president, Ho Chi Minh; pres, Ton Duc Thang; 7 vice presidents, M. LeThi Xuyen, Rev Father Nguyen Ba Truc, Le Dinh Than, Cao Trieu Phat, Hoang Quoc Viet, Duong Duc Hien, and Hoan Minh Cien; and a perm commission of the natl committee composed of pres, VP's and 9 other of whom 7 named: Truong Sinh [*Chinh*], Tran Danh Tuyen, Ho Viet Thanh, Hoang Minh Chinh, Xuan Thuy, Hoai Thanh, and Phan Anh, Natl committee will have 54 reps from all strata of people and all social classes (foregoing plus 37 unnamed others. Commie front character LVF indicated not only by ideological content platform and program but by inclusion as officers of 4 of 5 most powerful Indochinese Commies: Ho Chi Minh as hon pres: Ton Duc Thang (president), Hoang Quoc Viet (VP) and Truong Sinh (probably Chinh, on natl committee). All are Politburo members CPIC. Other well-known Communist or established fellow-travelers among new LVF executives are Father Nguyen Ba Truc (of League of Catholic Progressives), Can Trieu Phat (leader of dissident pro-VM Cao Dai group). Duong Duc Hien (leader so-called Democratic Party and member Ho Govt since its inception), Hoang Minh Gian (previously foreign minister), Phan Anh (successively Min Youth, Min Natl Def, Min Natl Econ in Ho govts), possibly Hoang Minh Chinh (perhaps same as Wang Ming Shan, Ho rep in Canton), Tran Danh Tuyen (leader VM labor organization), Xuan Thuy (editor VM-LV organ Cu Quoc).

On other hand, of interest to note only 5 of original 27 founders 1946 Lien Viet are announced as holding executive position new LVF. And of 15 official named perhaps 5 are unknown, if aliases are not employed, who have risen to revolutionary prominence recently. Further appraisal follows next tel.⁴

Sent Dept 1704, rptd info Paris 733, Hanoi unnumbered.

HEATH

⁴Telegram 1705 from Saigon, March 24, not printed, reported on recent Viet Minh radio broadcasts concerning the founding congress of the Workers Party of Viet-Nam. Heath stated that it seemed obvious that the Communist Party of Indochina had been revived as the WPV (751G.001/3-2451). Telegram 1706, also March 24, not printed, in which Heath analyzed the establishment of the WPC and the Viet Lien Front, read in part as follows:

"Formation Workers Party Vietnam (WPV) mytel 1705 new Lien Viet Front (LVF) mytel 1704, and liquidation Viet Minh by merger with the new front represent decisive turning points in Commie strategy IC. They mark transition from generalized popular front anti-colonial movement of immed postwar period to Stalinized instrument of aggression and org.

"Together with formation Burmese workers and peasants party, revival Thai CP, and inauguration Burma and Thai natl union fronts, this IC organizational change has an area significance denoting imposition of forms of people's democracies as elaborated in East Europe on previously bread-mass liberation movements of SEA. As such these developments are indicative of: (1) rigorous assertion of Soviet and Chinese Commie direction; (2) organizational and ideological price that is being exacted for internatl Commie support; (3) willingness to sacrifice some degree of popular nationalist support for development hardcore Commie movement responsive to last November's Far East Buro call for armed struggle." (751G.001/3-2451)

Editorial Note

Vincent Auriol, President of France, visited the United States from March 28 to April 4. His meeting with President Truman on March 29 included consideration of Indochina, as did a conversation between Secretary of State Acheson and French Foreign Minister Robert Schuman on March 30. Records of these meetings and other material on the Auriol visit are scheduled for publication in volume IV.

751G.00/4-351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, April 3, 1951—4 p. m.

1759. Brit First Secy here asked Leg officer yesterday whether we had recd indication from Washington similar recent expression of renewed Fon Off concern re deteriorating IC polit situation. Fon Off holds opinion new representation shld be made De Lattre re necessity re-examination both Franco-Viet relations and domestic Viet politics. Chief proponent this point view seems be Malcolm MacDonald,¹ who particularly desirous that Brit Leg here shld impress on De Lattre need for top rank polit advisor of Parodi caliber to replace coterie old colonials who now surround him.

Leg officer stated we had no such instructions and had recd no similar expression Dept's view. He commented on hazards delicacy required approach. Brit officer agreed, stated they contemplating reply which wld point out: (a) De Lattre wld certainly not take kindly to such expression Brit advice, and (b) Brit Leg no specific suggestions to press at this particular time for amelioration local polit situation. They felt suggestion for high level polit advisor might more appropriately come on London-Paris level. They were also of opinion no ready alternative Huu existed and had some hopes that with departure Tri and restriction Dai Viet, IC Catholics might be brought to active cooperation in Govt. Further substantive parts this conversation reported my next tel. Appreciate care in not attributing foregoing.

I am, of course, also far from pleased with pendular swing IC politics away from optimistic prospects of last Jan. At that time Pau agreements and transfer central services and internal revenue to Viet Govt appeared provide stage for new four-point polit program, energetic implementation of which might have permitted real progress. This program called for: (1) Constitution of National Union Govt in which reps of all non-Commie polit families of Vietnam wld par-

¹ British Commissioner-General for Southeast Asia.

ticipate, (2) activation real National army under Viet flag and command, (3) Bao Dai's social and econ program as launched in his tête-à-tête [*Tet*] address with his almost forgotten slogan of "terre fécondée", and (4) early inauguration some form rep institutions. In succeeding months these various projects have dwindled although none except first has actually been foregone.

I believe, however, that question new approach to Fr in Saigon or in Saigon and Paris must be conceived primarily in terms timing and that present moment does not constitute happy or opportune juncture for such representation. There is a war on. De Lattre's attention today almost exclusively and compulsorily directed to withstanding new Commie attacks in north. Present pattern these attacks seem make it not impossible that new offensive may last for several weeks of isolated but continuing small engagements. On other hand, Viet Govt concentrating very largely on assumption new services transferred to it under Pau accords. Its internal admin structure far from complete and until these posts filled and some measure admin experience acquired in discharging these new responsibilities it wld seem idle press for still further undependable transfers state powers.

If and when current mil crisis will have spent itself and when Viet Govt has filled area of its present sovereignty, I feel we shld review our own policies and programs to determine their adequacy to situation that will then exist. Prior that time, any new representations on our part wld, in my opinion, be not only unproductive but prejudicial to future exertions our influence in reactivating Jan four-point formula.²

In meantime, I believe exposure naked Commie control over former VM movements as exemplified by new Worker's Party and Lien Viet Front provide us with important propaganda opportunities which shld be fully exploited in attempt split off non-Commie Natls within enemy camp. I shall submit further reviews this regard shortly.

Sent Dept 1759, rptd info Paris 750, London 24.

HEATH

² Telegram 5946 from Paris, April 4, commenting on the present telegram, read in part as follows:

"Emb concurs with leg's view that present moment is not appropriate one for representations as envisaged by British FonOff. Aside from reasons set forth in reftel, which are in Emb's opinion sound, there is further and equally important consideration that this pre-electoral period in France when present govt faced with many complex and difficult problems is definitely not time for us to request French Govt make new approach to IC problems. Emb concurs with Saigon's suggestion that, if and when current mil crisis has passed and when Vietnamese Govt has been able assume its new responsibilities, it would be appropriate to review our present course of action, at which time consideration cld be given to possibility and desirability of approaching French Govt in this regard." (751G.00/4-451)

751G.001/4-1051: Circular airgram

*The Secretary of State to Certain Diplomatic and Consular Offices*¹

CONFIDENTIAL

WASHINGTON, April 10, 1951—8:45 a.m.

There is transmitted herewith Saigon's telegram 1751 of April 1 to the Department.

"Although FBIS yesterday cabled fol text leaflet found on Saigon Streets yesterday afternoon, unusual importance message justifies direct consideration by Dept:

'To all classes of Vietnamese people, day of the gen counter-offensive has come.

'Whole people of Vietnam, from towns to countryside, from north to south, have heartily and eagerly participated and supported our movement to switch over to the gen counteroffensive to drive Fr aggressors from our country and to fight against greedy and merciless Americans who are watching for opportunity invade our Vietnamese land.

'Compatriots, don't hesitate, opportune time has come. Battle has begun. And with aid and support Russian Red Army and that of new China, Fr enemies have been heavily defeated in Cao Bang, Bac Giang and Langson fronts. We have completely liberated these areas.

'Facing glorious successes of our people and soldiers, facing heavy attacks of our people and soldiers on entire Indochina territory, Fr puppets and American imperialists are confused and frightened, that is why they have sent their mil chiefs to Indochina to study mil sitn and to aid puppets to slaughter our compatriots. But they cannot do so because we have formidable forces of the Russian Red Army and those of new China to help us free Vietnam from Fr and Amer colonialism and imperialism.

'Compatriots, opportune time has come, let us rise altogether at same time to realize with govt of the People's Republic of Vietnam aspirations of whole peoples; to free our people from colonialism and imperialism.

'Down with the Fr and Americans.

'Down with Bao Dai and his followers.

'Long live democratic spirit.

'Success to revolution of proletariat.'

This morning Fr intelligence confirmed genuineness leaflet as Viet Minh product.

Refs to Sov and Chi Army as well as intensified action tone seem consonant with organizational changes producing new Workers Party Vietnam."

You should watch for USIS guidance on the use of this information, and in your discretion you may bring the contents of this airgram to the attention of government officials in your area.

¹ Sent to the Embassies in India, Pakistan, Iran, Afghanistan, Burma, Thailand, the Philippines, and China (Taipei), to the Consulate at Singapore, and to the U.S. Political Adviser in Japan.

It will be recalled that the Department has for some time sought to encourage the recognition of the governments of the three Associated States in Indochina by non-European nations. There has heretofore also been considerable reluctance upon the part of Southeast Asia and South Asian countries to accept the fact that the Viet Minh have actually been a pawn of Russian colonialism rather than a truly nationalist movement. The leaflet quoted should be useful in seeking to correct the point of view of these States.

ACHESON

751G.00/4-2451 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, April 24, 1951—9 p. m.

188. Legtel 1871 rptd Paris 778 Apr 22.² On my return from Hanoi³ Huu asked see me. He was anxious learn my reaction his speech at Vinh Yen and to discuss problem finding suitable Viets min for Wash.

I told him I personally regarded his declaration in which for the first time unequivocally denounced the VM as enemy of state and announced police measures prevent infiltration between VM and Viet controlled territories as timely act of courage and statesmanship. Hun said he had heard no criticism his statement beyond observation from Bao Dai who thought speech wld be well recd in Tonkin which had suffered from and hated VM but it wld not have as favorable reception Cochinchina which had not particularly suffered or realized character of VM. Huu said it was surprising none of "fence-sitting so-called intellectuals" in South Vietnam had yet intimated any criticism his statement.

It wld be difficult and matter of some time entirely close lines between VM and Viets controlled territory and to eradicate VM terrorism from villages and cities. He had left Interior Min Tam⁴

¹ This telegram was transmitted in two parts. Section 2, which dealt exclusively with Vietnamese politics and personalities, is not printed.

² Telegram 1871 is not printed. On April 19, both General de Lattre de Tassigny and Prime Minister Huu delivered addresses at Vinh Yen. For text of de Lattre's remarks, see Folliot, *Documents on International Affairs, 1951*, pp. 670-673. The texts of the two addresses were transmitted to the Department as enclosures to despatch No. 144 from Hanoi, April 23. In that despatch, Consul Blancke stated the following: "President Huu's speech has been voluminously lauded and commented on by French leaders, both in personal conversation and in the press, as a declaration of war against the Vietminh; and it does appear that Huu has finally come out without equivocation on the side of the French and has recognized that the world is divided into only two camps. To the Consulate's knowledge this is the first clear-cut recognition by a Vietnamese leader of this simple fact, considered by most Americans to be self-evident." (751G.00/4-2351)

³ Minister Heath conferred with General de Lattre de Tassigny in Hanoi on the evening of April 21. They discussed U.S. economic aid, Chinese Communist incursions, the military situation, and other subjects. Telegram 598 from Hanoi, April 22, which reported on the conversation, is not printed. (751G.00/4-2251)

⁴ Nguyen Van Tam.

in Hanoi to study problem. Tam was mtg with steady success in his campaign to rout out terrorists in Saigon. Many businessmen and enterprises in Saigon had been forced pay tribute to VM to preserve their lives and property from attack. Now they were increasingly informing police of attempted VM levies and placing their business premises under police protection. Recently VM ordered owner of largest Saigon pharmacy to pay sum of three million piastres (dollars 150,000) to guarantee his life and business. He had balked and Saigon police were effectively guarding him and his drugstore.

I inquired whether his efforts promote defections from VM were mtg with success and whether his offer of amnesty wld have any effect. Huu said that it was possible they might be able obtain some defections in Cochinchina but it was doubtful under present circumstances in view effective Commie surveillance of potential defectors. Various negots had been in progress for months but without result. It wld be necessary organize "real fifth column in VM territory" but this wld take time.

Huu said he was confident Chi⁵ wld be successful in establishing the popular and respected govt in Tonkin since he was wellmeaning, impartial and honest. The Catholic provinces had given Huu enthusiastic welcome and come over unequivocally to the govt although they had resisted Governor Tri and Dai Viet's attempt exert authority over their areas (comment: when in Hanoi I heard confirmation of this latter statement from various sources). People were delighted to be relieved of Dai Viet control, which had forced all govt employees to become party members and contribute to party coffers. For example, Huu declared, Governor of each province was supposed pay 30,000 piasters for privilege of retaining his job. It was impossible for provincial governor pay any such amt without extorting graft from the population under his control. He said he had recd letter from an "old Dai Viet" who had applauded his action against party saying recent Dai Viet leaders were merely profiteers and did not represent real party. At same time he had been magnanimous where Dai Viet members showed real intention bow to govt's authority. Thus he had kept his promise to Le Thang of permission publish Fr language newspaper in Hanoi. It had been mistake let the Dai Viet establish polit monopoly in Tonkin. Bao Dai had not however wished disturb this monopoly as long as it was giving effective govt under Governor Tri. Dai Viet had however, some time ago sent word to Bao Dai that if he attempted break their party's hold in north they wld turn against the monarchy. Bao Dai had then realized they cld no longer be tolerated and had encouraged Huu break up machine.

⁵ Dang Huu Chi, successor to Nguyen Huu Tri as Governor of Northern Viet-Nam.

Huu admitted formation Vietnam natl army was not proceeding as rapidly as he wld have liked. He asserted there was no longer any dispute between him and Bao Dai as to who wld have direct charge of formation of mil forces and also asserted Bao Dai had asked him keep Defense portfolio in his own hands. Difficulty was in finding some capable person act as state secy def. He had been unable do so to date nor with his other duties been able devote sufficient time to the army.

Sent Dept 188 rptd Paris 787; Hanoi unnumbered.

HEATH

Editorial Note

From May 15 to May 18, military representatives of the United States, the United Kingdom, and France met at Singapore for discussions on the military situation in Southeast Asia. The Chiefs of Delegation were Vice Admiral Arthur D. Struble, Commander of the United States Seventh Fleet; General Sir John Harding, Commander of British Land Forces in the Far East; and General d'Armée de Lattre de Tassigny. The Conference formulated agreed conclusions and recommendations regarding Indochina as well as Southeast Asia as a whole. For documentation on the Singapore Conference, including the Conference Report, see pages 1 ff. and page 64.

751G.00/5-1551 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, May 15, 1951—1 p. m.

1984. The Dept will note from mytel 1980 May 14¹ that I share Bao Dai's optimism that De Lattre has now sincerely turned to a course of perfecting Viet independence of activating the formation of the Viet Natl Army, and realizes the necessity of keeping Fr intervention, command and control to a minimum. De Lattre's apparent new policy of attention and respect for Viet aspirations and responsibilities is an intelligent one in the real interest of France and of our own policy aims.

Along with this desirable apparent trend in De Lattre's policy there is, however, an evident increased determination on his part that the evolution of Fr Viet relations will be worked out exclusively between France and Vietnam with the least possible intervention of any foreign—read American—influence. To paraphrase the sentiment which seems

¹ In telegram 1980 from Saigon, May 14, not printed, Minister Heath described a conversation which he had had with Bao Dai at Dalat the previous day (751G.00/5-1451).

never entirely absent from Fr councils and which is apparently now exercising De Lattre, if Vietnam is to be preserved for the Fr Union, foreigners shld not be allowed to drive any wedge between the Fr and Viets by either reckless or a purely calculated generosity. Arms aid is one thing and necessary for a short term, but econ aid has disturbing long range implications and makes France look like a poor cousin in Viet eyes. It must therefore be closely controlled by the Fr and soft-pedalled as necessary. There is evident increased jealousy on his part of Amer prestige and publicity which have accompanied the Amer arms and econ aid programs and an evident determination to play down the Amer contribution and publicity. This jealousy and suspicion of Amer efforts on behalf of the IC states is known to leading Viets within and without the Govt. A case in point is the principal Fr language newspaper, *Journal D'Extreme Orient*, closely controlled by the High Commissariat, in which any mention of Amer Econ Aid IC now completely taboo. Bao Dai's recent interview in which he asked for an increase in Amer econ aid was edited and censored by this paper to make it appear that Bao Dai was talking about Fr aid. Furthermore, De Lattre's occasional post-prandial lashings-out against ECA, the Amer Protestant missionaries or less frequently the operations of USIS have certainly become fairly widely known in Saigon and Hanoi.

The latest incident of this sort was a rather public one at the airport yesterday where I went to see De Lattre off for his visit to Singapore. As he passed down the line of the Fr officers and officials and dipl corps and shook hands with me, he referred to a recent letter² in which I had asked reconsideration of Fr refusal to provide further housing for the several new officers of MAAG. He called Gov. Gen. Gautier³ and Aurillac⁴ over and in their presence said it was impossible for the Fr to provide increased housing. I said smilingly that if it were impossible that was all there was to it but that I cld discuss the matter with Gautier. De Lattre went on to say that they Fr had been most generous in housing MAAG. I heartily agreed with this statement but referred to the necessary increase in the MAAG staff. Thereupon De Lattre said "Yours is a rich country, why don't you build houses. Or get rid of some of your ECA men and your Amer missionaries, then we cld house MAAG." This unexpected and frankly impertinent observation of De Lattre's was, of course, overheard by various people and marked the first unpleasant public incident I have had in my relations with him. De Lattre had been unusually friendly and cordial in our last

² Not found in the Department of State files.

³ Georges Gautier, Secretary General of the High Commissariat of France in Indochina.

⁴ Jean Aurillac, Director of the Civil Cabinet of the High Commissariat of France in Indochina.

meetings. De Lattre's tone in making these observations was one of heavy-footed bantering but there was an undertone of temper which certainly was audible to the various listeners.

When he returns from Singapore to capital at end of the week, I believe I shld have a frank talk with him. I will submit my views as to the line we shld take in a subsequent tel.

Sent Dept 1984 rptd info Paris 816 Hanoi unn.

HEATH

790.5/5-2351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, May 23, 1951—9 a. m.

2044. I introduced Hoey¹ to De Lattre on 21 May and during subsequent 90-minute conversation the General discussed the mil situation in great detail. With respect to the Singapore Conference, De Lattre felt that it had been most useful and that he had "made his position known". He had originally felt that there might have been some question in the minds of the UK and the US dels as to the extreme importance of the mil campaign in Indochina. He felt, however, that there was no longer any question as to the acceptance of the Tonkin battleground as being the guarded gateway into SEA. He spoke highly of the cooperation and understanding evidenced by the other dels and particularly mentioned his high regard for Admiral Struble and his staff.

Gen De Lattre stated with the utmost conviction that he had been totally uninformed concerning the presence of Australian and New Zealand observers altho he welcomed them as representing important areas within the Commonwealth. He felt strongly that Vietnam having, as he said, a comparable position with the Fr Union should also have been represented. Had he known in advance of their presence he would have asked Bao Dai either to send a rep or that he, Gen De Lattre, be specifically designated as representing Vietnam. He explained that in the Fr view the Fr Union is comparable to the British Commonwealth.

With respect to Tonkin he stated categorically that the Viet Minh had been stopped and "that they knew it". He acknowledged the presence in Tonkin of several thousand Chi individuals serving with the Viet Minh but reaffirmed that as yet there was no indication of Chi units. He stated that with his present forces he cld successfully handle the Viet Minh plus a small number of Chi volunteers. With his expected reinforcements he cld contain Chi volunteers up to approx 50,000. This latter ability wld be dependent upon an attack not coming

¹ Robert E. Hoey of the Office of Philippine and Southeast Asian Affairs, Department of State, was on a visit in Indochina.

before Oct when most of his concrete emplacements wld be finished. By the end of 1951 he was sure of his ability to withstand an attacking force consisting of Viet Minh and Chi volunteers.

The question of a massive Chinese invasion is on his mind day and night. In such an eventuality he hopes with assistance from unnamed allies to the extent of four infantry divisions plus air and an aircraft carrier to not only withstand a Chi attack but to throw it back. Such reinforcement wld, combined with his own command, be adequate to counter the Chi Commie attacking forces which wld be limited by terrain limitations to not much more than say 150,000 men. While in some quarters plans are being made for an evacuation of Tonkin fol a Chi attack it is his view that instead he shld be reinforced. Only in the event that such assistance is not forthcoming wld he plan to fall back on Cochin China. In the latter eventuality he assumes the loss of Thailand and eventually Burma and Malaya.

Throughout the conversation he repeatedly emphasized the aggressive nature of his war plan. He referred to the excellent combat capability of the Viet troops under his command. He referred to his son's command of such combat in Tonkin and the excellent record the Viet troops had made. On the Viet Minh side he said that he considered them militarily superior to the Chi with exception of artillery and technical equipment.

He took this occasion to remark that he had made a study of mil manpower in many European and South American countries but that unfortunately he had never been invited to the US.

In explaining his tactics in small clean-up campaigns, he pointed out that he was handicapped in being unable to liberate more areas until the Vietnam state army had been built up to the point where it cld take over and occupy such areas. It is the task, he said, of the State Govt to assume the admin of areas his forces liberate and that he has been very careful to insure that there is no French participation in such take-overs. For example, he had forbidden his commissioner in central Vietnam to accompany the governor when the latter toured newly liberated areas.

Sent Dept 2044, rptd info Paris 838, London 32.

HEATH

751H.00/5-2551 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, May 25, 1951—5 p. m.

2071. King of Cambodia ¹ May 23 recd Hoey, Gullion, Catlett,² Brink and Dickens. He appeared to be enjoying his prolonged vacation

¹ Norodom Sihanouk.

² Don V. Catlett, Second Secretary, Legation at Saigon.

and immunity from official cares while the council of regency headed by his father carries on for him. His plans for a trip to France were foremost in his mind (Legtel 2072 rptd Paris 848).³ He also made the following observations:

1. The mil situation in Cambodia has notably improved in the past year. The Issaraks are no threat and the VM are recognized as pirates by the people. The increased dynamism of public spirit can be gauged by the ease with which the Khmer Army is being expanded from one battalion last year to 6 battalions envisaged for end of this year.

Whereas they had previously been badly clothed, badly equipped and had poor morale, they now possessed morale, clothing and equipment of high order and he thanked Gen Brink for the part US aid had played in this amelioration.

2. It was true that there were operations in Battambang where the rebels who had pledged their names to an agreement to rally their forces to him had gone back on their word and arrested officer he had sent as envoy (since escaped). However he believed trouble in Battambang cld be stamped out easily.

3. The problem of cadres was, of course, most important. Unfortunately Cambodia needed cadres not only in the army but in public admin, public health, communication and other fields. The improved prospects for Cambodia meant that young men were coming forward more readily; whereas the first class in the first officers school had number 7, they now plan to have 2 classes of 30 prospective officers each in school at any given time.

4. As to politics, the King did not claim a degree of comparable improvement. He said, however, that elections shld be held looking forward to constitution of a new assembly. The Fr and some other advisors had reserves about this since they believed insecurity in some parts of the country wld make elections difficult or distort their meaning and since elections wld invariably bring into the assembly some members with rebel affiliations or tendencies.

Altho these objections were valid to some extent, still the people of Cambodia were clamoring for an assembly and the maintenance of the constitution and the King was pledged to maintain that constitution. The assembly wld therefore be constituted. Although not all of the regions of the country cld now return delegates he estimated majority of something over 45 members cld be present. He was not considering any such move as contemplated in Vietnam of designating members to the assembly rather than electing them. There was no provision for this in the constitution.

The King pointed out that in planning for the army he had always to reckon with needs for econ and social programs. He cld not recall

³ Telegram 2072 from Saigon, May 25, not printed.

offhand the exact amount of his budgetary receipts which for the coming year wld be devoted to the army but thought it was around 25 percent.

Sent Dept 2071 rptd info Paris 848 Phnom Penh unkn.

HEATH

Editorial Note

On May 28, James E. Webb, Under Secretary of State, addressed a memorandum to President Truman requesting approval of the transfer of certain Mutual Defense Assistance funds from the North Atlantic Treaty area to Indochina, Greece, and Turkey. Funds in the amount of \$79,489,107 were to be transferred to the increased Indochina military aid program. President Truman approved the proposed transfers on June 8. Under Secretary Webb's memorandum of May 28 is scheduled for publication in the documentation on United States Foreign Assistance Programs in volume I.

751G.00/5-3051 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

CONFIDENTIAL NIACT

SAIGON, May 30, 1951—11 p. m.

2111. Dept pass Defense. I was informed in confidence early this evening Lieutenant de Lattre de Tassigny, only son of the General, had this day been killed near Hanoi. Details yet unknown. News will not be made public until sometime after midnight. I plan fly Hanoi tomorrow morning to present my condolences and attend requiem mass.

I believe it would be most appropriate and appreciated if personal messages of sympathy cld be cabled to General de Lattre by Secretary and by Secretary Defense or General Bradley.

Sent Dept niact 2111; rptd info Paris 864 (pass Eisenhower).

HEATH

751G.551/5-3151 : Telegram

The Consul at Hanoi (Blanché) to the Secretary of State

SECRET

HANOI, May 31, 1951—6 p. m.

690. Recontel 687, May 31.¹ Minister, Harris,² Freeman,³ Kotrla⁴ and Brady arrived Hanoi in Leg plane 8:15 a. m. today. I accom-

¹ Not printed.

² Col. Lee V. Harris, Army Attaché, Legation at Saigon.

³ Lt. Col. Edmund F. Freeman, Air Attaché, Legation at Saigon.

⁴ Cmdr. Raymond A. Kotrla, Naval Attaché, Legation at Saigon.

panied them on preliminary call at De Lattre residence. By appointment same group called on De Lattre personally 11:15 a. m., ushered in immediately after group of PriMin Huu, Governor Chi, and half dozen Vietnamese Ministers. Huu had made concurrent flight accompanying Aurillac, Gautier, Risterucci,⁵ Dannaud, et al.

De Lattre looked old and worn-out, spoke very low, almost in reverie, but very bitterly. Burden of bitterness was: What price all this sacrifice, if those ostensibly on our side refuse to believe in our sincerity? If this constant sacrificing of our youths' flower does not prove us sincere in desire to give Vietnam independence, what further is necessary to drive idea home? Yet we are doubted on all sides. What is the use?

CINC made broken reference to his wife in twilight of her days: What cld she cling to now? For himself: What was there to live for? In other circumstances, in bona fide war, he wld have had consolation his son died hero death; but instead he had been offered up on behalf of an ungrateful people. De Lattre intimated he had said something of sort to Huu, whom he characterized personally as apparently loyal. (Huu had streaming eyes when he left residence.) De Lattre was especially bitter at Bishop and people of Phat-Diem: Former had recently directed scathing sermon at Huu, copy of which De Lattre had on desk; people of area had withheld any info re Viet-Minh movements leading up to what CINC termed "surprise attack" though Fr were definitely expecting trouble in area. Said when his son had taken contingent of non-coms and *suppletifs* through Phat-Diem area three days before, villagers had booed and hissed "vendus" (sold out) at Vietnamese soldiers.

CINC then brought up figures of Fr sacrifices, mentioning billion francs daily: France purely disinterested in defense of Vietnam. At this point gave credit to US also for disinterested aid; we had been generous and our help must continue. Min interposed he had hoped have talk soon on how cooperation might be improved, but said present was hardly moment shaping it up.

De Lattre then brought up Dalat massacres,⁶ disclaimed any Fr responsibility but regretted he had not been on hand, as damaging recriminations had been made which he cld patch up only afterwards. Was bitter at Prince Buu-Loc for promoting censure at Fr Union meeting. (Note: Only one Fr underling was at airport to meet Buu-Loc on arrival at Saigon several days ago.)

⁵ Jean Risterucci, Political Adviser to the High Commissioner of France in Indochina.

⁶ On May 12, at Dalat, twenty Vietnamese being held for suspected pro-Viet Minh activities were shot in reprisal for the assassination of a French security agent.

De Lattre leaves for France with body tomorrow morning 5:30 a. m., will spend only a few days consoling wife then return. Ceremony of Absolution today at 1800 hours will be attended only by Min, Harris and I, as limited attendance requested. After ceremony Min party flying back to Saigon, Harris remaining Hanoi.

Bernard de Lattre was killed instantly at 4 a. m., May 30 near Ninh-Binh. Mortar shell exploded two yards from him, 80 pieces found in his body of which 37 eld have been fatal. Fr had lost Ninh-Binh post then retaken it, then lost it then again re-taken. After last action, Lieutenant De Lattre was found dead. Seven other officers and 22 non-coms lost in Ninh-Binh action.

A typical first Vietnamese reaction, voiced by Mayor last night, was fear that De Lattre in anguish might order all-out reprisals, napalm thousands of innocent peasants in area. There was of course no possibility of such a reaction from De Lattre.

Dept pass Paris. Sent Dept 690, rptd info Paris 213, Hanoi unkn.

BLANCKÉ

851G.00R/6-1451: Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

CONFIDENTIAL

SAIGON, June 14, 1951—4 p. m.

2218. In off record personal, frank expression of Fr views re their now almost openly admitted opposition to certain US programs in IC, Fr acting dipl counsellor made fol points in private conversation with Leg secy June 9:

1. STEM in IC. All Fr officials in IC, states dipl counsellor thoroughly appreciate US MDAP. Fr Govt in Paris, Wash, and Saigon long pled for mil aid which only US eld give and are both grateful for supplies furnished and gratified at results obtained. ECA aid is different. Basic difference is that Fr Govt at no time or place ever requested ECA aid or STEM Mission for IC but was compelled to accept both as part of price for US mil aid. Original misgivings have been more than fulfilled by way program has been administered. Manner that admin and types of resultant publicity are debatable; many Fr officials in HICOM's office do not agree re difference ECA activities but all unanimous that program never requested or desired in first place.

Leg comment: I believe this point requires immed clarification. Will Dept and Emb Paris advise me soonest exact circumstances in which decision was made to extend ECA aid to IC and whether record exists re Fr request for ECA aid to IC. Seems obvious that De Lattre believes and receives version cited above.

2. STEM admin and publicity. Dipl counsellor's observations re Fr complaints re STEM program turned almost exclusively in this conversation on STEM publicity. Argument ran: Amer seems to think

¹ This telegram was transmitted in three parts

IC was discovered in 1950 and that history of civilization in IC begins with arrival US aid. If water pump or tractor delivered IC, it becomes, in STEM publicity, first water pump or first tractor that IC has ever had. If medical first aid station opened, it is inauguration of public health in IC. STEM publicity concentrates almost exclusively on deficiencies of Fr contributions to IC. Neither notice is given nor tribute paid to work Fr have been doing for generations and are doing today in 25 times the volume and with 1/25 the publicity. If STEM is compelled to make publicity here to demonstrate to US Congress how active STEM is, couldn't publicity be less flaunted in faces of Fr who are dying for country's independence? Or couldn't expenses this publicity be devoted rather to useful projects which wld benefit Fr and Viet people and not merely US officials?

3. US informational activities. The publicity of USIE or "Brady's crowd" was different and there was much less Fr objection to them. In particular Brady almost always checked his publicity angles and stories with High Commissioner's office in advance, a form of coop which ECA has not practiced. Yet USIE English lessons for hundreds of Viets, according to dipl counsellor, have attracted much adverse comment in Fr official circles. Fr wonder why Amer Govt shld spend official funds to teach English here. Very few Viets know Fr well and their time and effort might be better spent in acquiring really useful knowledge of Fr which will be much more important to them unless Amer expects Vietnam not to remain in Fr Union. Language concentration on part Americans seem particularly odd to Fr who observe that wherever Russians have influence their first step is to open Russian courses in blind belief that all that is good is in Russian. USIE book translation program also at point. First book Americans had translated in Vietnam was history of US. This seems either absurd or offensive to most Fr who have found that even literate Viets know little of history of their own country and almost nothing of history of France. To expect them to read Amer history seems height of natl egotism on part Amers. Subsequently, USIE has put into translation nothing on Vietnam or on France and nothing except works violently pro-US or anti-USSR, issues which have little meaning for most Viets. Similarly, these Fr officials who have listened to VOA report Voice is uninteresting, more and more closely resembling Sov radio in its unvarying repetitions of crude natl propaganda, in its constant quotations of speeches US leaders, and in its unceasing claims of US championships in this or that. Most Fr or Viets who are accustomed listen fon broadcasts have been conditioned to regard BBC as model of excellence and VOA seems markedly inferior in program content and in diction of speakers.

4. Size of US mission in Saigon. Finally, there was matter of number official Amers in Saigon. Some of his friends believe that there were several hundred and talked knowingly of huge numbers secret US espionage operators here. Dipl counsellor knows there are under 200 US officials in IC; however, many Fr here cannot understand why Amers have five times as many officials here as all other fon missions combined or above all, why there seems no slackening in steady rate of arrivals of still more official Amers. Only explanation was in view of too many of his associates is that Amers were, if not preparing, at

least looking forward to day of ouster of Fr from IC and of seizing opportunity for making IC zone US influence.

Acting dipl counsellor also intimated there were other Amer activities disliked by Fr. (See my personal ltr dated June 14).² These are main points of substance. They come from young official who by no means anti-Amer, who not speaking for quotation or attribution, who was apparently sincerely attempting make Leg officer understand bases for increasing local resentment in Fr official circles to US aid and presence in IC. Leg officer believes this Fr official lacks mental ingenuity and experience in IC to draft this bill of particulars himself. Fact that he was thus retailing or synthesizing observations he has heard from his colleagues does not detract from their weight. Dept is particularly enjoined for sake of development of local content not to disclose identity this official. Any value this recital arises from its content, not its source.

Leg officers rejoinders to number of particular criticisms unfounded in fact or reason not here included. Significance is not that specific rebuttals can be made to individual Fr official but that his views seem widely shared.

These manifestations, not so much of anti-Americanism as of narrow gallicism, are of course only indication surface irritants to smooth course of Franco-Amer coop in FE. More fundamental is local Fr apprehension that conduct Amer policy must inevitably conflict with Fr plans to retain Vietnam in Fr Union but with Fr conception of evolution of rest of old Fr Empire.

There are of course certain Fr officials here who do not share apprehension, willful misapprehensions and jealousy of Amer policy and operations in IC voiced by dipl counsellor. In gen Fr mil, I believe, appreciate loyalty and disinterestedness of our contribution but I believe that dipl counsellor's remarks do in fact represent attitude and opinions of majority of Fr civil officials and very probably of Gen De Lattre himself. These essentially groundless and unreasonable complaints reveal an unpleasant situation and an unpleasant state of mind; while we have not yet noted any direct interference with our USIS, MAAG or STEM programs, the atmosphere which now exists potentially harmful to future these efforts and old embroil US-Franco-Viet relations in IC.

I believe this situation may be allayed after preliminary talks with De Lattre perhaps followed by examination with Fr in Wash or Paris.

The complaints against the publicity of STEM are, of course, a tribute to the exertions of its publicity staff. It is true that STEM has not in principle in the past believed it necessary to consult in

² Not identified in the Department of State files.

advance with the Fr as regards its publicity operations. Under Pignon there seemed to be little necessity of so doing, nor was there any complaint made to STEM or to me regarding ECA publicity with the exception of one incident last year. Robert Blum has tactfully and efficiently managed the ECA program and has been correct in consulting the Fr with regard to projects in which he felt they had a legitimate interest and has kept them informed of the gen progress of the program. In negots of last year it was, however, decided that the program wld be one of direct assistance to the Assoc States, and not thru the Fr High Commissionership.

DeLattre has, however, a high appreciation of the value of publicity both personal and for Fr policy and a much greater determination than his predecessor that nothing shall be allowed to interfere with his formula for Franco-Vietnamese solidarity and his aim of insuring that Vietnam will remain in the Fr Union when hostilities cease.

When all of this is said however, we still must admit that our most immed concern in Indochina today is the mil def of its terr and that def today rests almost solely on the Fr. Their views as to the manner of the admin of US aid shld perhaps therefore receive at this time a more sympathetic hearing than might be the case in other less troubled parts of the world.

I expect to go to Hanoi during the next two days on DeLattre's invitation. I am not sure since the visit presumably includes a tour of the battlefields and former Amb Bullitt³ will also be guest that it will be possible to go into these matters effectively.

I have shown this tel to Blum and suppose the Dept will wish to pass it to Foster and Griffin.

Sent Dept 2218, rptd info Paris 892, Hanoi unn.

HEATH

³ William C. Bullitt, U.S. Ambassador to the Soviet Union, 1933-1936; Ambassador to France, 1936-1941; Ambassador at Large, 1941-1942.

851G.00R/6-1951 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, June 19, 1951—9 p. m.

7900. From Embassy and ECA Mission. Pass ECA/W. Ref para one Saigon's 2218 to Dept, rptd Paris 893 [892], June 14, contention by French officials IC alleging force feedings US economic aid wld seem result either monumental lack of communication between French Govt and their HICOM IC on this subject or striking case of political amnesia. Paris ECATO 143, Feb 10, 1950,¹ indicated that at that time

¹ Not printed.

Dept and ECA/W agreed it wld be appropriate for French initiate conversations re provision of ECA assistance to IC, and it was suggested to French that they approach ECA Mission France if they wished to discuss next steps possible ERP aid IC. Dept's intel Feb 16, 1950, 1 a. m., indicated receipt *aide-mémoire* from French Embassy requesting political, military and economic aid for IC.² According intel, *aide-mémoire* stated economic aid "indispensable" for IC. As reported Paris Toeca 191, Feb 18, 1950,³ officers ECA Mission to France, including Blum, met on that date with Alphand and Vaurs of Foreign Office and De Margerie of Inter-Ministerial Committee to discuss IC economic aid, Alphand referred to *aide-mémoire* given by Ambassador Bonnet to Secretary, setting forth proposed policy for political, military and economic aid IC. Alphand expressly indicated at outset he wished talk only of economic aid. At no point did discussion touch on any linkage economic and military aid. Alphand repeatedly stressed great need for economic assistance IC in view serious political situation, comparing effort needed to that made in Greece and Turkey, assume this record of specific French request for economic aid sufficiently explicit. It is hardly necessary to add that from beginning French undoubtedly aware, in view position three Associated States in French Union as well as character and purposes proposed program, extension ECA aid IC wld automatically carry with it establishment of local mission to administer such aid.

For Saigon's info French have never implied to Embassy or ECA French Mission that ECA aid was unwillingly accepted by them in order to obtain military assistance, although French dissatisfaction with some aspects program such as size ECA Mission and content and manner of publicity, has been expressed to us occasionally.

Dept pass Saigon; sent Dept 7900, Saigon 418.

BRUCE

² The telegram is not printed, but for a summary of the *aide-mémoire*, see memorandum of conversation by the Secretary of State, February 16, *Foreign Relations*, 1950, vol. VI, p. 730.

³ Not printed.

751G.00/6-2251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, June 22, 1951—10 a. m.

2288. Accompanied by William C. Bullitt, visited Bao Dai at Nha Trang where we had lunch and three-hour talk on board his yacht.

1. Bao Dai asked our impressions effect on Gen De Lattre of loss his son. Bullitt thought Gen, altho feeling loss deeply, had made remarkable comeback. Bao Dai said he feared that De Lattre might now conceive war as one of revenge. He followed this up by allega-

tion that Eur members French Union Forces in Indochina were physically in poor condition, and he afraid that De Lattre seek to incorporate more and more Viets in these forces instead of concentrating on formation Viet Nat Army.

2. In response Bullitt's question as to what he feared most from De Lattre, Bao Dai said it latter's changeability. De Lattre wld be very close to someone one day and refuse see him next. He cited case Bourgoin, presently in charge Econ Planning Section, High Commissariat, who had always worked very well with Bao Dai. Bao Dai said Bourgoin occasionally had some wild ideas but many sound ones as well. Bourgoin had wanted work for Viet Govt but De Lattre had refused permit this. So Bourgoin, a man with vast experience in Indochina, now returning to France. De Lattre, for example, was also "down" on French head of *Ecole Inter-Armes* at Dalat, because latter had not invited him to school ceremony. Bao Dai said invitation not sent because school head under Vietnam Min Def and rightly considered invitation shld come from Ministry. Bao Dai also feared clash might develop between Huu and De Lattre.

3. I suggested that much this difficulty might be due ill-founded and even malicious reports which De Lattre recd from his entourage and secret service. Bao Dai agreed. I remarked that De Lattre had said to me that when he next returned Saigon he was going to do some pruning of officials in High Commissariat, something which Pignon had never, never been able to do, since latter has one of over-large group of "fonctionnaires" himself.

4. In response Bullitt's question as to make-up of Viet Minh, Bao Dai said that in north they Commies, in center they Nats, while in south there were some Commies and Nats, but in main Viet Minh southern forces were just plain "gangsters". Bao Dai also said that he had more true supporters in regions under Viet Minh rule than in free zones, and that he recd reports from these zones almost every day.

5. Bao Dai claimed there were large numbers troops in Viet Minh whose commanders had communicated with him expressing their loyalty to his person and their readiness to surrender to him if French cld be kept out of it. However, all of Viet mil zones now commanded by French, and one must understand French insistence that defectors surrender to them in view of French mil responsibility and French losses of 50,000 men in Indochina since end World War II. Not until Viet Army has full responsibility for sizable zone wld mass Viet Minh surrenders be possible.

6. This led to discussion of lack trained Viet officers and civilian admins, and Bao Dai said that he admitted freely that Vietnam simply did not have sufficient qualified personnel at present time.

7. When Bullitt asked about possibility for capital coming into Vietnam, both Bao Dai and Nguyen De expressed desire to see this happen. Bullitt asked about influence large French business firms on French policy in Indochina, mentioning their influence in French Govt. Bao Dai replied that he had no fear this influence. Big French firms had seen handwriting on wall and prepared accept changes which would come as Viet Govt control of econ implemented. When I asked whether this meant that measures of nationalization of economy in enterprises were under consideration, he said that it not question nationalization but of Vietnamization of business, Viets must be allowed enter French firms and that Chi monopoly over certain lines business must be broken. Taking of Viet trainees in French business houses had been suggested by Bao Dai during Jap occupation, and French auths had recommended such action to French companies in Indochina. At that time, however, not one of them would receive a Viet. Nguyen De pointed out that he and Michael Van-Vy of the Banque Franco-Chinoise were only Viets who had ever held positions responsibility in banking business, and that there only one very small Viet bank operating at present time.

Sent Dept 2288; rptd info Paris 922, Hanoi unnn.

HEATH

751G.5-MAP/6-2251: Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, June 22, 1951—9 p. m.

2304. Toisa. This is joint Leg-MAAG message. Pass Defense. Re Legtel 2244, June 16.¹ Gen De Lattre de Tassigny, Commander in Chief of the Fr Forces in Far East and High Commissioner of Fr in IC, has informed the chief of MAAG that US State Dept is being requested, through the Min of FonOffs, for transportation of from 5,000 to 6,000 reinforcements troops between Fr and IC on troop transports of the US. This assistance asked as part of Amer aid to IC. He pointed out that without this troop lift it would be "very difficult if not impossible" to move Fr reinforcements here by the date previously contemplated for their arrival. He states it is absolutely necessary to resume operations in force at the end of the bad weather in Tonkin, approx 15th of Sept. The first of Sept is indicated as the deadline for the arrival of these troops in IC.

MAAG confirms necessity for arrival of Fr troops in view of combat situation.

¹ Not printed.

MAAG message MG 1503² refers to Fr request for movement by Fr ships of MDAP material from the US to IC. It may be possible such ships could be used for this troops transport lift.

However, MAAG has no info with respect to manner of financing this operation. MAAG and Leg consider it of highest importance that such financing should not operate in any way to reduce present programmed deliveries which accord with rock bottom necessities.

Leg recommends acceptance Fr request subject to reserves [*reservations?*] as availability of shipping and financing possibilities which it is unable to judge. Such assistance seems logical extension of position we have taken here. While two US carriers have unloaded planes here in Saigon in recent months without incident, there has been no debarkation of Fr troops by US defense transports. There is always possibility some manifestation may attend unloading of ships, but Leg confident Fr and Vietnamese security arrangements adequate prevent any difficulty.

While VM propaganda will undoubtedly make some capital out of use of US shipping for these purposes, this should certainly not deter us.³

Sent Dept 2304, rptd info Paris 929.

HEATH

² Not found in Department of State files.

³ The French Embassy in Washington submitted the request for transportation of troops to Indochina to the Department of State in note No. 301, June 11. On June 20, H. Freeman Matthews, Deputy Under Secretary of State, addressed a letter to Gen. James H. Burns (ret.), Assistant to the Secretary of Defense, for International Security Affairs, asking for the Defense Department position on whether the French request was worthy of support and, if so, whether shipping could be made available and on what terms (751G.5/6-2051). In a letter of July 5, General Burns transmitted the views of the Joint Chiefs of Staff. From the military point of view, the French request was worthy of support. Two troop transports could be made available. General Burns noted that the Department of Defense concurred in the opinion of the Department of State that any shipping facilities made available should be on a reimbursable basis. (751G.5/7-531)

In a note of July 12, the Department of State advised the French Embassy that two troop transports could be made available provided the expense was assumed by France (751.551/7-1251). Matthews informed General Burns on July 18 that the French Embassy had indicated, on July 13, acceptance by the French Government. The Department of Defense was requested to proceed with implementation of the operation. (751G.5/1-551)

None of the documents cited above are printed.

611.51G/6-2951 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, June 29, 1951—5 p. m.

2355. Attention which has recently been focussed on De Lattre, on his mil qualities which border genius, on his personal irascibilities and psychological motivations, on his political prejudices should not ob-

¹ This telegram was transmitted in five parts.

secure the urgently important issues of political and economic substance which lie behind the complex personality of this present-day Lyautey. These issues are vital to the attainment of our foreign policy ends in SEA.

I believe time has come for Dept to review its policy toward IC. I believe certain decisions must now be taken and instructions given.

In epitome, the directive I was given when I left for this post a year ago, was that it was policy of US "to supplement but not to supplant" Fr in IC. This policy had not only economic implications—that France wld continue to carry major share of IC burden—but political connotations as well—that US wld not seek to replace or to oust France from IC or Assoc States from Fr Union. I understood Dept believed in and accepted assurances of Fr Govt that its policy was evolutionary and designed to perfect independence of the three Assoc States within the framework of the Fr Union. With those assurances and in face of Communist aggression we inaugurated programs of mil and economic aid to the Assoc States as independent govts within the framework of the Fr Union. If our policy toward those states cld be summarized in briefest and collateral form, it was "to support but not to subvert". We wld support them as we cld, we wld assist in strengthening their nascent political and admin structures, we wld help to shelter them while they acquired civic maturity and mil experience, we wld not attempt to turn their loyalties from the Fr Union.

I believed this was a workable policy for mid-1950 and I believe that it is workable today. Moreover, in my opinion successive events have strengthened the necessity for strict and unswerving adherence to its fundamentals.

In 1950 we were troubled by three orders of doubt concerning IC. The first was our apprehension that the Fr were moving too slowly and too grudgingly in granting evolutionary concessions toward the independence of the three IC states. We became very rightly concerned that there were unused political and economic competencies within the Assoc States' govts which were not being mobilized for the common struggle. These doubts largely disappeared with the substantial concessions made by France in the Pau accords signed in Dec 1950.

The second was our even greater apprehension re mil situation. Whatever Gen Carpentier's virtues, he evidently did not have the full ability to cope with the IC mil problem or the prestige necessary to obtain from the Fr Defense Min needed reinforcements and supplies. With the arrival of Gen De Lattre and the equally timely delivery of US MDAP supplies, the mil situation and the morale and efficiency of the Fr Union forces changed, almost overnight, for the better. IC wld henceforward be no easy prey for the Communists.

Our third uncertainty in 1950 concerned the Vietnamese themselves, the ability of their govt to enlist popular enthusiasm, the willingness of their people to make the sacrifices of their own treasure and their own sons that the defense of their present and future liberties wld require. The events of 1950 and early 1951 in this regard have been the most disappointing. Yet progress even here has not been negligible. If the cabinet reorganization of last Feb, following perhaps too close upon the Fr Union Tonkin defeats of Nov and Dec, was not productive of a broad-gauged govt of natl unity, the famed Vietnamese fence-sitters did not yet choose to make their personal commitment to the fortunes of the Franco-Vietnamese alliance, if narrower interests of faction and sectional rivalries proved obdurate before this test of the common good, one contrary and beneficent fact of enormous import was also demonstrated. The people stood firm. In the face of an unrelieved series of Fr Union mil reverses there was little panic, no bandwagon onrush to come to terms with the Commies, no mass defection to the Viet Minh.

The second Huu Govt was formed, has survived, is continuing to make slow, painful progress toward the acquisition of governmental exercise and authority. Resentment honestly felt by many Viets during Cabinet crisis over De Lattre's brusque insistence that he be consulted re Def Fin and Interior portfolios has abated as De Lattre has acquired greater finesse in treating with Viet Govt and as justice of his position during present emergency has come into better perspective. De Lattre is primarily a soldier but he is by no means insensible to political considerations; indeed his role in the 1951 Cabinet crisis was managed with rather more skill than Pignon's in the 1950 change. He has succeeded in convincing both Bao Dai and Huu of the sincerity of his interpretation of the Fr position and of his respect for Vietnamese aspirations. As he comes into wider contacts with Vietnamese circles and particularly as he meets with Bao Dai more regularly, the influence of his personal dedication to the Viet cause will spread. The natl army project upon which any ultimate hope for solution in IC must rest is proceeding more slowly than eld perhaps be desired, but it is proceeding and Fr caution that the new native officer corps shall first of all be loyal to Fr Union concept is the one that we can challenge only at the peril of repetition of the China aid program.

These developments are assets. They in no wise relieve the continuing gravity of the IC situation. The frontier between Red China and upper Laos-Northern Tonkin has ceased to exist as a barrier to the shipment of Commie arms and the transfer of Commie reinforcements. 150,000 VM regulars with 150,000 coolies are emplaced in Tonkin; the former are professional soldiers in every sense of the term. They possess to their rear "a privileged sanctuary" for training, rest and re-equipment; they hold in the field at least tactical and

even strategic initiative. The decisive battle for IC is yet to be fought. Pressures for this larger IC battle can be expected steadily to mount; if hostilities in Korea are brought to a halt they may come to a head by this fall. Within the time periods within which we must work only Fr arms and Fr resources can hold IC, can check the Communist advance thru SEA, can guarantee the conditions for the integrity of Vietnam. No other means are at hand. Free and independent Vietnam in the jargon of Viet intellectuals cld not survive for six weeks. Present-day Vietnam returned to peace by an international agency and given a coalition govt as a result of some form of internationally-observed free election wld fall to the Commies no less surely, no less slowly, and perhaps rather more cheaply than did the East Eur states of the immed postwar period. Only Fr willingness to spend \$850 million annually in IC and only the Fr will to persevere in casualty rates of 30,000 men annually can hold this critical pass against Commie domination and exploitation. The Fr ask only that while they defend the country and continue to move steadily away from colonialism they be supported loyally and that nothing be done to encourage or assist separatism or subversion in their rear. These are claims we cannot lightly disregard.

That there are increasing indications that the Fr believe the operation of our econ aid program is contrary to US policy followed in almost all other aspects of our relations with IC is not I believe to be denied. They feel that our insistence on a bilateral approach not only in negs for the form of an aid agreement but in our day to day relations with each of the three Associated States conflicts with the Fr Union idea and the triangular nature of any econ relations between an Associated State Fr and any third power. They find our direct transactional negots with Associated States officials, which they often learn of only from those officials themselves after the event offensive to the spirit of Franco-American cooperation. Above all they regard the publicity which in the local press and elsewhere has attended ECA operations as disproportionate to the US contribution, as invidious to the much greater econ and mil sacrifices made by France in IC, and as suspect in motive and objective since it has almost never been discussed in advance with the High Commissariat.

The Fr know well that part of this publicity is due sly Viet delight in playing up the US as against Fr. They have long appreciated what might be called Viets "ambivalence". They realize fully both that many Viets in and out of govt take advantage their contacts with members Leg and US missions to voice distrust and criticism of the Fr—sometimes justified—and that Viets separatism and division feed on Amer assents which may often be only careless courtesy or on silences indicative in most cases not of assent but only of an unwillingness or an incapacity to debate these complex matters.

(I feel I shld observe that so far as my own relations with De Lattre are concerned the Gen sincerely believes that I personally in my contacts have argued against improper criticism of the Fr. I do not believe he is wrong in thinking that such has not always been case in all contacts of the 200 officers and clerks in Leg STEM, MAAG and USIE. Of some significance was his remark to me in Hanoi that he had entire confidence in sincerity of my cooperative intentions but realized that time wld be necessary before I cld overcome certain difficulties, which he did not specify, in giving them full effect.)

It may well be pointed out that this Fr sensitivity is (a) irrational or excessive, (b) that it represents undue concern with face, and (c) that it shld not be permitted interfere with content or admin of our econ aid program. I cld agree as to *a* and *b*, and to *c*, but am convinced that unless prompt remedial action is taken *c* will almost certainly result. Advantages of the bilateral approach are ably argued in Saigon Toeca 721 June 19.² I believe these advantages can be preserved with a more consultative approach in the admin of STEM and in preparation its publicity. I must rpt here as I did in mytel 2218 June 14 that these observations are in no sense criticism of efficient and tactful direction of STEM by Robert Blum. He has in all respects faithfully executed instrs Wash has given him. What seems required is reassessment, in the light of basic US policy toward IC, of the development of STEM procedures here. Our common concern is that STEM be in position make it maximum contribution to Amer policy in IC. I wld like therefore at an early date be able say to De Lattre on Dept instrs fol:

(1) He take steps to stop anti-Amer and false reports of his entourage and secret police re Amer aims and operations in IC.

(2) ECA will discuss in gen way in advance both their projects and their publicity with any members his staff he may designate. We

²Telegram Toeca 721 was transmitted by Robert Blum, Chief of the Special Technical and Economic Mission at Saigon, to William C. Foster, Economic Cooperation Administrator, and R. Allen Griffin, Director of the Far Eastern Program, ECA. It referred to telegram 2218 from Saigon, June 14 (p. 425) and read in part as follows:

"It is clear, therefore, that entire subject discussed in reftel goes to heart of ECA's activity in IC. ECA was asked by State Dept to undertake program of direct economic aid to Assoc States in belief that this program wld strengthen young and fragile political and administrative institutions of Assoc States, cementing the loyalties of masses of people to anti-Communist govts, wld provide peoples of these countries with demonstration of interest in their independence and welfare of US with its liberty-loving and anti-colonial tradition, and wld contribute toward revival of economic activity. Altho it is difficult to judge how far we have succeeded, our efforts have been principal ones extended toward achievement of these goals. I believe that if we are to continue to serve same purposes our program must be carried on along same lines as heretofore. That there are possible points of friction between this policy and that of Fr was recognized from beginning but did not deter us a year ago. We shld try to eliminate these if we can but we shld change our policy only if you feel situation has altered since last year so as to require it or if you decide that earlier policy was wrong." (ECA Cable File: FRC Acc. No. 53A278)

will by no means promise invariably accept all Fr suggestions but they will be welcome, they will be sought in advance, and there will be unremittant and sympathetic understanding of Fr position. (To extent that this approach is at present being followed it will represent no change; to extent that it is not, change is required.)

(3) Although for the moment I believe I can assure De Lattre that there are no other Amer Govt operations in progress in IC beyond those he is informed of, I feel it wld be desirable give him further assurances that there will be no such operations undertaken in IC without his full advance knowledge and consent. I do not consider, of course, as "operations" the individual and entirely legitimate activities of members of this Leg, the atts, etc in receiving info and intel from any source available. (I wld observe at this point that these futher assurances involve no real sacrifice on our part since our whole experience here indicates impossibility conducting such operations without their discovery by Fr and Viets auths.)

(4) The officer and clerical staffs all US missions here are being personally briefed by me to insure that they fully understand extent and value to the gen cause of freedom of the Fr effort here and the validity of the Fr desire that the Assoc States remain in Fr Union.

I will make it clear that they must not listen or give encouragement to improper criticism of Fr sacrifices and intentions and that violation this rule will be regarded as insubordination. (Re this point Brit Min here tells me his instrs are make very clear to Viets that while UK sympathizes with Assoc States gaining their independence, that independence shld be within the association of Fr Union. He tells me his instrs are categoric at this point and I have reports his staff are taking his categoric line in their contacts with Viets).

(5) Within terms our mutual cooperation and to assist us in discharge of responsibilities we have undertaken not only in IC but elsewhere in SEA, we expect greater and fuller frankness on all matters capable of affecting types and quantities our aid. We believe specific instrs necessary to certain key officials on his staff to enter into more forthcoming relationship with designated polit and econ officers of the Leg. While our mil liaison is much improved since his arrival, we are particularly concerned re info concerning Commie dispositions and intentions both strategic and polit and measures contemplated to counter these enemy plans.

I have not chosen in this cable to discuss operation of the other agencies in IC.

I believe instrs I am requesting are fully consonant with the line of our policy in IC. I believe they are necessary.

It is unquestionably true nonetheless that this approach will seem to some of our officials now in IC either a departure from previous practice or a freezing of policy in an undesirable direction. They argue, as do certain of our Amer publicists, that central facts IC problem are the rising tides of Asian nationalism and embittered hatred of Viets people for Fr; they maintain that enemy here is regarded as the Fr rather than VM or Commies, that all sections of opinion unite on proposition Fr must go and differ only as to means of their expulsion.

They hold that Fr can never make the massive contribution necessary win war in IC and that attempts sustain the conflict at the present level constitute only an abscess for the Western world. They seem feel moreover there is something shameful in the Fr concept of the still undefined Fr union; they point to the absence of parliamentary institutions, to the censorship, to the secret police, to the lack of true political party or trade union activity, to the econ monopoly the Fr continue or continued until recently to enjoy, to the corruption tolerated and the gambling profits shared, to the opium trade, and to the omnipresence of Fr officials, names and culture as manifestations of the most sordid and restrictive colonialism. And they say the US shld withdraw from this pestilence or shld perhaps stay and attempt covertly to undercut the Fr and assure Viets that the US also desires the elimination of Fr from the FE and shares the blithe conviction that all social ills will depart with the Fr, while an aroused citizenry metes out to the Commie armies the fate they so richly deserve.

The determination of the merits of these several propositions and of this gen view point will very largely be function of history. Number of assumptions are obviously highly debatable. Number of them have certain weight and it is this weight that makes the definition and application of policy in IC supremely difficult. But even if far more validity attached to these views than can in all justice be granted them, even if results of withdrawals of other colonizing powers in Asia were far more impressive than they have been to date, it is childish think of ousting the Fr from IC and stemming Communism in SEA with the means now at hand. Militarily, I take it no other non-Commie power or combination of powers is today prepared take over from the Fr expeditionary corps. Politically, whatever might have been situation 2 years ago, no party, no newspaper, no group no individual in Vietnam today publicly espouses the elimination of Fr except the VM. There is literally no place behind which such Amer influence cld be exerted, and none is likely be permitted arise. Nor cld such a party or such a pro-Amer movement be built overnight out of mil and econ aid programs of the size available for IC. Economically, present ECA and MAAG budgets are minor compared with Fr expenditures. They are sufficient if wrongly applied to embitter Franco-Amer relations; they are not enough replace the Fr contribution.

Present IC phase is a holding operation and it is idle to seek or expect an IC solution out of the context of durable Far Eastern settlement. All the evidence now at hand suggests that settlement will not precede but be an integral part of the world-wide resolution of Stalinist aggression. In this holding phase, differences will doubtless arise in the future as they have in the past between the Fr and the Amer concepts of practicable IC evolution. Our counsel has been help-

ful in past and will continue be if we operate within framework of loyal and trusted cooperation. If we squander our influence and our energies on projects of uncertain aim and intent we will accomplish nothing and lose opportunities we have for discreet but continual pressure.

There is of course one final factor which suggests our loyal cooperation with the Fr. Our common interests neither begin nor end in IC. Our mutual endeavors demand give and take and spirit of adjustment. The interests of the partnership require in IC our loyal, ungrudging but not uncritical support of the Fr. Their objectives here and ours are not so very different in the present period as to make that cooperation any sacrifice of any part our vital interests.

I shld be grateful for earliest expression of the Dept's views and if it concurs, for instrs I have requested.³ This cable has been shown Mr. Blum, chief of IC STEM.

Sent Dept 2355, rptd info Paris 944.

HEATH

³ In telegram 26 to Saigon, July 7 (repeated to Paris as telegram 155), the Department of State advised Heath as follows:

"Legs excellent analysis present sit IC fully appreciated. Dept believes you shld proceed at appropriate time with representations proposed Legtel 2355 Jun 29, incorporating therein such modifications in tone as Paris 77 Jul 5 [post, p. 442] suggests, except for #3 see immed fol para. Dept assumes however that you agree that no *such* representations shld be made until present difficulties surrounding consumation of ECA bilateral agreement have been resolved.

"As for proposed numbered 3 section 3 urtel, you will receive special instr soonest. Meanwhile you shld not volunteer representation on this pt.

"Dept, for its part, proposes to engage in full and frank discussion US policy and objectives IC with Amb Bonnet and Min Daridan soonest after resolution of bilateral difficulty." (611.51G/7-551)

851G.00R/6-3051: Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, June 30, 1951—midnight.

2364. At the first opening I broke in on De Lattre's long monologue recounted in my tel 2363 of June 30² to inquire why the French Govt had so unexpectedly refused to permit the Vietnam Govt to sign its economic agreement with the US scheduled for today. I said I feared there might be unfortunate results from this action. Congress was considering the fon aid bill which included both arms and econ aid for the Assoc States.

De Lattre said that he regretted the occurrence but preparations shld not have been made for the signature until it was certain that the accord had Fr approval. He indicated that high commissariat had

¹ This telegram was transmitted in two parts.

² Not printed.

advised the Vietnam Govt that the exchange of letters with the Fr Govt asking consent to sign wld take five or six weeks and the Viet letter had only gone forward a few days ago. It was not the intrinsic importance of the proposed accord but the fact that it was the first separate treaty to be negotiated and signed by Vietnam. Therefore, France must insist on exact compliance with the consultative provisions set forth in agreements with the Assoc States. If the Viets were to be allowed from the start to negotiate and sign international treaties without full prior consultation and approval the foundations and future of the Fr union wld be imperilled. I remarked the Fr negotiator Pennavaire had certainly given the impression if not definite assurances that the proposed agreement had received Fr Govt approval. De Lattre said that Pennavaire was not empowered to give such assurances. He was an economist-technician whereas the accord had political and juridicial aspects which cld only be passed on by the appropriate Ministries. He added that the Fr Govt was particularly insistent in the case of this accord since the Viet del to the ILO meeting at Geneva had recently signed a technical aid agreement without being empowered to do so or having consulted with France. I inquired if the accord cld not be signed on the understanding it wld not become effective until approved by the High Council of the Fr Union. De Lattre said the instructions he had received from the Min of Assoc States were formal that signature shld not take place but moreover the Fr Govt had now proposed certain changes, mainly of form rather than of substance, which wld have to be negotiated.

Then observed that it was of great importance that this accord be signed at the earliest possible date. De Lattre replied he thoroughly agreed; that he wld insist that the High Council of the Fr Union Govt be set up and meet in July, on which occasion he felt approval of the accord wld quickly be granted. If it proved impossible to set up the High Council, then the substitute procedure of consultation with the interested Fr Ministries and Pres Auriol wld have to be employed and this wld mean a further delay of five or six weeks, postponing signature until August.

At this state De Lattre's aide brought in two stories filed by AP correspondent Topping an hour previous. Among other things the despatches stated that Fr action in refusing "abruptly" to allow the signature as scheduled was regarded "in dipl circles as a slap in the face to the young Viet Govt". The stories also alleged that the draft accord was disapproved by Fr Govt because it gave Viets too much power over established Fr commercial interests.

De Lattre exploded. He asked whether I approved of the story. I said it was unfortunate that this version shld appear at this moment and suggested that the Fr might issue a statement of their point of view. De Lattre asserted the stories were designed to embroil Fr

relations with Vietnam and the US. He inquired whether he wld not be justified in expelling Topping from IC. I told him that wld be a great mistake. On the heels of this exchange Topping was suddenly ushered in. De Lattre, after remarking that he had been given great facilities, upbraided him for having written a "false" and "tendentious" story without having tried to report the Fr point of view. Topping replied he had consulted Fr officials. He refused to name them and I interjected that a correspondent should not be expected to reveal his sources. De Lattre said there are only three or four officials qualified to discuss the matter and asked why Topping had not come to see him. Topping replied he cld not disturb the HICOM for every story. De Lattre rejoined that a story of this importance fully justified Topping in asking to see the HICOM. He wld have been received. Topping then said it was a mistake that the HICOM did not have a press spokesman. De Lattre replied that he himself and four or five top members of the High Commissariat were always available as spokesmen.

I interrupted again to say no one cld doubt Topping's journalistic honesty and his courage (he stood up very well to De Lattre's tirade), and I again suggested that De Lattre might issue a statement. De Lattre went on to give Topping much the same argumentation recounted in the first part of this tel. He further said that the changes in the text proposed by Fr Govt were essentially formal and agreement on them cld be reached in a single meeting between STEM chief Blum and the Fr and Viet negotiators.

Characteristically, after storming at Topping, De Lattre became friendly and humorous and accompanied Topping and me to my automobile.

Sent Dept 2364, rptd info Paris 951, Hanoi unkn.

HEATH

751H.00/7-151 : Telegram

The Consul at Phnom Penh (Catlett) to the Secretary of State

CONFIDENTIAL

PHNOM PENH, July 1, 1951—noon.

Unnumbered. Re mytel 64 June 25 to Saigon.¹ As date approaches for Natl Assembly electoral campaign French Commissioner becoming more perturbed over prospects. He feels free and honest elections cannot be held under conditions which will prevail during foreseeable future and that only result will be unrest and bloodshed with those candidates with most armed forces winning elections. It wld be only natural that polit parties will seek support bandit chiefs by making promises which can only mean further instability and corruption.

¹ Not printed.

In recent conversation, he said that most of his Cambodian friends, including King, admit in private conversation elections undesirable now, but usually make public statements in opposite sense. Altho Commissioner moderate in his comments on King, other French officials more critical King's weakness. They point out King not only forced Regency take responsibility forming govt organizing elections, but also conveniently absent on incognito trip Saigon at time decree issued setting date elections. These officials believe King building up alibi for future as he fears elections will be failure.

Commissioner concedes full right Cambodians to elections but he points out French responsible for public security. If coercion used in elections, he will have no course other than order French troops intervene and if disorder widespread will take any measures necessary for security. He aware such actions wld be criticized by Cambodians as infringement their sovereignty but he believes public security more important than such possible criticism.

I cannot arouse same concern as does Commissioner over probable corrupt deals between polit parties and bandit chiefs as such deals merely normal here. Problem public security more serious, but govt under pressure to improve security during electoral campaign and with aid French troops may be able minimize disturbances.²

CATLETT

² In elections held on September 11, the pro-monarchy Cambodian Democrats won 53 of 78 seats in the National Assembly. The National Assembly approved a new Democratic Party government headed by Huy Kanthoul on October 13.

11.51G/7-551 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, July 5, 1951—7 p. m.

77. Saigon tel 2355 June 29 rptd Paris 944. Emb concurs with well-reasoned analysis made by Heath in reftel re situation IC and US policy toward IC.

It cannot be overemphasized that US interest in IC during present critical world situation stems almost entirely from desire prevent IC falling under Commie control. It was for this reason that US embarked upon econ and mil aid prog in IC. It also cannot be overemphasized that, while US aid and support have obviously played important part in developments in IC, it is only French arms and resources which can during present crisis, in absence marked change in policy of US and perhaps of other free world nations, hold this area and serve as check to Commie advance in Southeast Asia. As repeatedly stated by Dept, primary responsibility in IC is that of

France and this thesis was clearly accepted both by French and by US in FonMin talks at Paris in May 1950.

Against this background and keeping in mind that IC is only one part of overall US-French pattern of common effort, Emb believes that we shld exert every care to avoid any actions which would tend to mar that common effort and thus result in detriment of our own overall interests, it is possible that French, while appreciative of our mil and polit aid in IC, do not give adequate recognition to important part that our gen support, including recognition of Assoc States as well as mil and econ aid, have played in bolstering French position in IC. It is not certain that first order of doubt re IC, mentioned in Saigon's reftel, has largely disappeared—that is, apprehension that French have moved too slowly and too grudgingly. However, basic fact remains that France has primary responsibility in IC and US can only move slowly to encourage French through discreet and continual pressure to do things they shld in IC which wld represent continued evolution of independent position of Assoc States within French Union, unless, of course, US is willing to contemplate affirmatively major shift in responsibility for keeping this area out of Commie hands. So long as present crisis continues, Vietnamese shld never be permitted to forget essential irreplaceable contribution French are making toward their independence and fate they wld meet if French were to withdraw. Nor must we ourselves forget ever present danger of having Vietnamese place us off against French. It must also be remembered that continuation present French effort IC represents very heavy burden to France and that in months to come French Govt to be formed must face problem finding further funds for operations in IC.

Ours is difficult role in present situation and we do not believe it desirable to allow what seems to be increasing drift into misunderstanding of our role in IC to continue without taking prompt steps to check it. In this connection De Lattre's ref to Heath of desire to postpone discussions regarding ECA (Saigon tel 2635 [2365] June 30 rptd Paris 952)¹ may be related to statement by FonOff official re possible French approach Washington for clarification US objectives IC (Embtel 8220 June 30 Saigon 430).¹ For this reason Emb repeats recommendation in its tel 8220 June 30 that Dept have full and frank discussion US policy and objectives IC with Amb Bonnet and Daridan² as soon as possible.

Dept pass Saigon sent Dept 77 rptd info Saigon 9.

BRUCE

¹ Not printed.

² Jean Daridan, Minister Counselor, French Embassy in the United States.

751G.00/7-951 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, July 9, 1951—4 p. m.

70. In interest learn more about controversy reported by Hanoi between PriMin Huu and Tran Trung Dung (pronounced Zoong), editor ultra-Nationalist Hanoi Catholic newspaper *Thoi Bao*, Leg Off ventured interview latter during recent visit Saigon. Dung explained he was in extremely bad graces Huu and Security Min Tam, after telling visiting Indo journalist in presence *sûreté* agent acting as translator that present independence Vietnam is farce and Ho Chi Minh is only true leader in country, "although it unfortunate he is Commie". Huu exploded when he learned this and threatened close down paper and intern Dung in concentration camp. Purpose Dung's visit Saigon was have frank talk with Huu but latter refused see him and sent word that if he had anything say, to tell it to Tam. Dung did not follow suggestion.

During conversation, Dung first impressed Leg Off as typical blind Viet ultra-nationalist, who wld view with equanimity whole world under Commie domination providing Vietnam cld be rid of Fr. He advanced suggestion that US obtain guarantee from Mao Tse-tung on occasion Korea cease-fire to effect that Chi Commies wld keep hands off IC. Queried by Leg Off as to whether he wld place much reliance in such statement from Mao, Dung said naturally not, but that it wld offer pretext for US intervene with Fr to withdraw expeditionary corps from IC. Leg Off obliged ask exactly how he thought this preposterous move wld serve interests of US which is committed to policy keep Commies from overrunning IC. Dung said that is precisely what is wrong with Amers: they are too anti-Commie and therefore neglect other considerations. They give napalm Fr and are surprised by reactions shown by Viets against its use on innocent villagers. In any event, he feels that policy of watchful waiting is only solution for Viet Nationalists. Controversy between east and west must soon be settled by victory one or other. In either case Vietnam stands gain independence. To question "what becomes of independence if country under Commie domination," Dung said Communism contrary traditions both Vietnam and Chi and must eventually fade out. Leg Off suggested that recent history Chi was not particularly encouraging in this respect. Dung then changed line and asserted he as Catholic is naturally not Commie, but only want genuine independence, which implies progressive withdrawal Fr troops and their replacement by Viets. Fr commercial concerns and civilians can remain if they cease exploit country. He pointed out that he was law school

companion of Vo Nguyen Giap,¹ and latter who was once militarily illiterate has now become very capable general. If Giap cld do it, why not anti-Commie Viets also? He then stated he has fol of 4,000 young Catholic militants who wld make excellent officer material. These men all look as one to Ngo Dinh [Dinh] Diem to save country. Dung said that he and others wld do anything Diem ordered. If Diem said: make your peace with Fr, they wld do so as they place complete reliance in Diem's patriotism and ability.

Comment: while Dung is unusually outspoken, his ideas are apparently shared by many Viets, who seemingly cannot and will not understand threat that Communism is to their country. Southerner Tran Van An says such attitude typical of Tonkinese, who are in all cases uncompromising and do not possess necessary "souplesse" of mind to be effective statesmen. Dung, says An, is particularly bad example of Tonkinese who reasons with his heart rather than with his mind. Moreover he is very badly informed on situation in Chi and VM zones of Vietnam. An concludes that taste of life under Commies wld be good for Dung, who loves dramatize himself as "militant" but has been careful keep himself under protection Fr guns. South Viets are more realistic, but allow themselves be diverted from goal whenever see opportunity make smart piastre. Torn between northern blockheads and southern profiteers, country is badly in need moral revolution. Leg suggests that An's views in this instance perhaps not far from truth.

Sent Department 70 rptd info Paris 21, Hanoi unnumbered.

HEATH

¹ Minister of National Defense of the Democratic Republic of Viet-Nam.

751G.5/7-1151: Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, July 11, 1951—11 p. m.

96. Bao Dai arrived Saigon yesterday afternoon for brief visit and I saw him at noon today by appointment.

While Bao Dai insisted that he remained firmly optimistic that in long run VM wld be suppressed and Vietnam wld finally emerge as truly independent state, with stable govt and economy, he said he was very worried over effect in Fr of conclusion of what he calls a "compromise" between UN forces and Chi-North Korean forces.¹ There had always been strong element in Fr Parliament and Govt in favor "compromise" with Ho Chi Minh which wld allow Fr withdraw their

¹ Documentation on the Korean armistice negotiations which commenced in early July is scheduled for publication in volume VII.

forces with semblance of honor and with great saving blood and treasure (see Legtel 1340, Jan 30;² 1363, Feb 2; and 1537, Mar 2). Peaceful arrangement Korean question might well strengthen this movement. He said that De Lattre wld never consent such arrangement since he was now entirely committed to victory over VM. De Lattre, Bao Dai insisted, wld resign before he wld consent be made instrument any arrangement which wld mean the rapid take over all IC by the international Commies.

Bao Dai then inquired whether actually there was any important element in Amer legis or exec branch which wld favor compromise with the Commie Viet Minh. I answered very firmly that while there were probably few in Congress who were not informed of true nature VM, I felt my govt was fully informed and aware dangers of any appeasement which wld allow Ho Chi Minh and his Commie directors of VM to share govt or territory of IC. What had happened in Czechoslovakia, Poland and other satellite states was clearly present in Wash's mind. Bao Dai then asked me inform my govt that the elite of Viets Nationalists were now entirely anti-Commie and aware impossibility any compromise with Ho Chi Minh.

Full nationalist strength against Ho Chi Minh cld not be mobilized however until there was true Viets natl army entirely Viets commanded. For moment there were merely scattered battalions of indifferent morale and spirit because they were Fr commanded. Fr command was necessity at this transition stage but transition shld be brief as possible. Furthermore, it must be an army, he asserted, loyal to himself as chief of state. Idea of forming army with loyalty to Vietnam "the patrie" was entirely impractical at present moment. Idea of the "patrie" was too new. Vietnam's "independence" was too recent. Strength of Cao Daists, Hoa Haos and other sectarian mil forces was their loyalty to a person, agent or chief of the cult.

In this connection he greatly regretted attitude Gen De Lattre toward Governor Giao, who by arrangement and with consent De Lattre's predecessor, was to have been chief of staff Viets army. As chief of state, Bao Dai cld not himself personally supervise training and formation army. Giao had energy and wld have earned loyalty of officers and men of new army. Giao as chief of staff with Governor Tri as MinDef wld quite rapidly have developed Viets troops into patriotic, effective, loyal force.

Giao had his defects but he had his virtues of bravery, loyalty, energy and personal devotion to Bao Dai. Statement that Giao had "grafted" as governor Central Annam were false and malicious. These accusations were probably based on fact Giao disposed of certain "secret polit funds", the expenditure and payee of which cld not be

² Not printed.

subjected normal accounting. Giao had not slightest temptation graft for in addition having personal fortune he cld always count on Bao Dai's generosity. Bao Dai recently had given him some 500,000 piasters for personal expenses.

Tri had allowed himself be maneuvered by certain Vietnamese leaders into position of hostility to Huu so there had been nothing do but relieve him of governorship north Vietnam. He wld also have to relieve Giao of governorship Central Annam because of De Lattre's animosity toward him. After "period of eclipse" Bao Dai thought he cld bring both men back into govt and perhaps pursue his original plan of having them command and administer Viets army. Quite frankly there were no other Viets that he knew of at present time who had special qualities and loyalty to take over formation def forces. Perhaps someone wld emerge.

Bao Dai said that many nationalists were enlisting or accepting commissions in Fr-commanded Viets battalions. They dislike serving under Fr but they realized they had to gain mil experience and there was always possibility Fr withdrawing their forces in which case Viets alone wld have to fight against Ho Chi Minh's Commie army.

Bao Dai said Viet police had discovered and broken up Viet-Minh organization in Dalat. VM headquarters had been in city hospital. Operations were directed from, and grenades and guns were actually stored in, the hospital unknown to Viets doctors and Fr sisters serving there. They had tried and executed local VM chief and leader VM "assassination squad". Feels these executions made Dalat much happier place than it had been for several months.

Bao Dai said principal reason for his visit Saigon was consult his physician. His trachoma had become much worse and he had had liver attack. He was also on a strict regimen and ordered not engage in physical sports or hunting for a time.

He wld leave for Hanoi on 13th and at July 14th ceremony wld decorate Gen. De Lattre.

Sent Dept 96, rptd info Paris 31, Hanoi unnumbered.

HEATH

611.51G/6-2951

*Memorandum by the Assistant Director for Non-European Affairs,
Office of International Security Affairs (Bingham) to the Assistant
Secretary of State for Far Eastern Affairs (Rusk)*

SECRET

[WASHINGTON,] July 12, 1951.

Subject: Saigon's No. 2355 of June 29, 1951

Since S/ISA is deeply concerned with the subject matter of Minister Heath's telegram, we have given considerable thought to it and

submit the following comments for your consideration in the preparation of a reply. We have delayed submitting this memorandum in the expectation that Mr. Blum of ECA would probably comment, but no such comment has yet come to our attention.¹

Minister Heath's telegram is certainly a model of clarity and forcefulness. He argues very persuasively in support of the instructions he would like to receive. Nevertheless, we have grave doubts about his recommendation number 4 which would seem to put United States personnel in Indochina in the position of the "Hear No Evil" monkey. Moreover, we are worried about the absence of any recommendation with respect to the job of persuading the French to move farther and faster in the direction of building up the strength and independence (within the French Union) of the Associated States. In view of the tenor of the whole telegram, the absence of any such recommendation is not surprising.

From Minister Heath's telegram, it is not clear just what he fears in Indochina, if his recommendations are not accepted. Is he afraid that the French will pull out and leave Indochina an easy victim for the Communists? He does not say so, and surely this eventuality is hardly likely, in view of the enormous French investment in Indochina and many other factors. Is he afraid that the French will refuse further military assistance from us and so weaken their defensive strength? Again, he does not say so, and the evidence would indicate the unlikelihood of this eventuality. Is he afraid that the French will make it virtually impossible for ECA to operate effectively in Indochina? This might seem like a rational fear, particularly in the light of the events which happened in Indochina within a few hours after Minister Heath's telegram was sent.² However, in the light of the subsequent French actions, it would seem that they are not by any means planning to take such drastic action.

In short, Minister Heath, in marshalling the arguments for his position, creates in the reader a sense of anxiety about threatening dangers, without specifying what those dangers are. In part, he does this by stressing the vital character of the role the French are playing in defending Indochina from the Communists, although no one has seriously proposed that the French might leave or that we might seek to persuade them to leave.

¹ Comments by Robert Blum, Chief of the Special Technical and Economic Mission at Saigon, were contained in telegram Toeca 841, July 12; for extracts, see *infra*.

² The signature of bilateral Economic Assistance Agreements with each of the Associated States was scheduled for June 29. However, French authorities interposed objections of a substantive as well as procedural nature. For information on this subject, see telegram 2364 from Saigon, June 30, p. 439. Regarding the agreements ultimately concluded, see editorial note, p. 490.

The dangers we see in Minister Heath's approach and particularly in his recommendation no. 4 are: (1) that we may give to the French, the Associated States and the other peoples of South and Southeast Asia the impression that, because we deem the defensive role performed by the French to be vital to the security of the area, we are prepared to back the French 100 per cent in their dealings with the Vietnamese and (2) that this in turn will weaken our bargaining position with the French, impair our influence with those Vietnamese who are not convinced of the sincerity of the French intentions in Indochina, and—most serious of all—damage our standing in Asia as a whole by identifying us with colonialism.

Specifically, we have no serious quarrel with any of Minister Heath's recommendations, except no. 4. With respect to no. 1, Minister Heath would presumably prepare his request to General De Lattre with a background factual presentation covering the number of Americans actually operating in Indochina, the basis on which ECA-STEM aid is being furnished, etc. and perhaps also give a few examples of objectionable anti-American activity on the part of French officials. With respect to recommendation no. 2, the resolution of the difficulty of the bilaterals will doubtless affect the nature of the approach. In this connection, Mr. Blum's attitude and position (see Toeca 786 of July 1)³ impress us as sound.

As for recommendation no. 4, it is hard to believe that Minister Heath actually meant what he said. If his proposed instructions were literally followed, it would promptly get around Indochina that United States officials would "not even listen" to Vietnamese complaints about the French, no matter how well founded they might be. It would seem far preferable merely to warn United States personnel against giving the impression that the United States automatically concurs with anti-French complaints and arguments.

Finally, while we are ready to assume that Minister Heath omitted the point only because he regarded it as so basic a part of American policy that it need not be restated, we believe any reply should remind him of the importance of persuading the French to build up the strength and independence of the Associated States. It should be possible to convince the French that such a course in the long run offers them the only way to escape from the crushing military burden they now carry in Indochina and at the same time avoid the kind of an upheaval which could result in their losing Indochina altogether.

³ Not printed.

ECA Cable File : FRC Acc. No. 53A278¹: Telegram

*The Chief of the Special Technical and Economic Mission at Saigon
(Blum) to the Economic Cooperation Administrator (Foster)?*

[Extracts]

SECRET

SAIGON, July 12, 1951—7 p. m.

Toeca 841. For Foster and Griffin. For State.

1. Saigon Legtel 2355,³ rptd Paris 944 raised important fundamental questions concerning American IC policy in general and STEM operations in particular. It provides opportunity at close our first year activity and when new appropriation being considered to review STEM policy and work against broader background American policy. Pls read this cable in conjunction with Toeca 721, rptd Paris Torep 95 June 19.⁴

2. Although I agree fully with the promise of Legtel 2355, that it was and is US policy "to supplement but not to supplant" French and that without French support a free Vietnam wld immed collapse, I do not believe the analysis of present IC situation goes far enough or reaches in all respects valid conclusions, particularly as far as STEM is concerned.

27. The argument might be made that there shld be closer and more systematic consultation on our program with the Fr. This point of view has considerable appeal and certainly everything shld be done to keep the Fr as closely informed of our work as possible. We must realize however that there are pitfalls. Basically the Fr are not very sympathetic with our program and wld much prefer to see our money used for other purposes such as mil expenditures and to cover budgetary deficits of the three states or the debts inherited by them from Fr. They have said so. We wld have to expect that close consultation wld be accompanied by constant Fr insistence on this approach and that unless we altered our program constant difficulties and bad feeling wld probably result. Increased consultation wld be profitable only within a framework of agreed premises that does not now exist.

28. The question also arises whether such a consultative relationship wld be mutual so that we wld be consulted on the Fr plans just as they wld be on ours. There wld be the further question as to what partici-

¹ File of Economic Cooperation Administration telegrams located at the Washington National Records Center.

² This telegram was sent in eight parts totalling fifteen pages. The extracts printed here are from sections one, seven, and eight.

³ June 29, p. 432.

⁴ An extract from Toeca 721 appears in footnote 2, p. 436.

pation the Assoc States wld have in these arrangements. It is very doubtful that they wld wish see coordination systematized. Even assuming that we try to systematize coordination and consultation all around the board, it is well to recall that neither the quadripartite procedures developed for the commercial import program nor the triple tripartite negot of the bilateral is a happy augury for smooth and speedy work. The institution of more systematic consultation and coordination shld therefore be considered only in relation to a re-examination of our entire program.

29. If the strengthening of the Fr is an imperative short term necessity, strengthening local anti-Commie aspirations is no less mandatory if the Fr presence is to be continued and for the maintenance of our influence here. During its first year-operation the STEM program has been greatly handicapped and its beneficial psychological results largely negated because the US has been pursuing at the same time program of support to the Fr. It can hardly be said that the reverse is true and that the STEM program has weakened our support of the Fr. If STEM were to be reduced to a secondary role, and be under constant pressure to apologize for its presence in a desire to pls the Fr, the effort being put into it wld no longer be justified. The dilemma will not be quickly resolved, but in my opinion the solution does not rest in the decision to trim our sails to every changing wind of Fr humor. If this were to be done I wld recommend instead that the STEM program be withdrawn entirely, as its purpose, which is polit one, cld not then be served, although it cld continue perform useful econ and social tasks.

30. We must do everything we can avoid undermining the Fr position but we must recognize that this undermining is the work of the Viets themselves, brought on in part by Fr mistakes, and has been going on for many years. Perhaps the best we can hope for is to conduct here a kind of uneasy holding operation until something else happens in another place. If and when this happens the Fr may have to withdraw entirely, and unless we are willing abandon this area indefinitely we shld try maintain position of influence in this part of world where only break with past offers a firm foundation for the future.

31. I think our position in these matters needs to be explained quite openly and frankly to the Fr who shld see that it is no narrow selfish interest that inspires us. I do not think the tone shld be an apologetic one. We are helping defend their interests as well as ours. Unless we take firm stand on our rightful position and do not allow, by our own inaction or self-deprecating attitude, the impression to grow that we are anti-Fr, we will find our standing gradually undermined and our usefulness ended. On the basis of my experience during the past

year I am confident that an understanding with the Fr is possible provided we hold firmly to the principles that brought us here.

32. In my opinion the problems now under discussion, including those analyzed in this cable, need to be carefully reviewed so that, if necessary, new policy decisions may be taken. I think such a review shld precede any further conversations with the Fr whether in Wash, Paris or Saigon.

33. Pls pass to State. This cable has been shown to Min Heath.

Sent Washington Toeca 841, rptd Paris Torep 114 (pass Embassy and ECA France).

BLUM

751G.5/7-1351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, July 13, 1951—7 p. m.

116. 1. I called on Pres Huu yesterday at my request. He said that he somewhat concerned over possibility that defeatist and leftist elements in Fr Parliament might take advantage publicity attending Korean truce negots to attempt promote "compromise" with Ho Chi Minh. He did not think there great danger that Fr wld withdraw their forces from IC but possibility existed. He said De Lattre had assured him in confidence that he wld never, as long as he remained IC, engage in any "parley" for peace with Ho Chi Minh. De Lattre had requested this be kept confidential since if he quoted to that effect Fr Socialists wld make political capital out of his position and increase their attacks on him.

2. Huu said he much more concerned over possibility that fol truce in Kor, Chi wld not only increase its econ and arms assistance to VM but wld now directly engage in hostilities by sending over force of "volunteers". He said that there great popular apprehension such move in northern Vietnam.

3. At end our talk he asked wistfully if it wld not be possible in Korean "parley" to obtain guarantees that Chi wld not send "volunteers" to IC. I replied that I understood conversations purely mil and that I cld offer no opinion or info this matter but wld transmit his suggestion to my govt.¹

Sent Dept 116, rptd info Paris 39.

HEATH

¹ Telegram 73 to Saigon, July 17, read as follows :

"Legtel 116 Jul 13. Dept shares Pres Huu's concern expressed last para reftel. Your response that cease-fire conversations purely mil was and is correct. There wld be no opportunity for the 'guarantee' Huu suggests.

"Therefore, an increased internal effort within IC is required. US mil aid now programmed is to support such an increased scale of action by Vietnam and France. Matériel for the Viet Nat army is being supplied with a priority higher

511.51G/7-1351: Airgram

The Secretary of State to the Legation at Saigon

CONFIDENTIAL

WASHINGTON, July 13, 1951.

A-9. Reference is made to the Legation's telegrams Nos. 2218 of June 14¹ and 2239 of June 15.² Following are the Department's comments on the USIE portions of those communications:

1. The teaching of English is an important function of USIE whether official funds are used or not. The Vietnamese have repeatedly requested it in order to make even minimum use of US aid, the exchange of leaders and students program, etc. Since almost no Vietnamese know English, it is essential that this language instruction be given. The Department certainly agrees that French should continue as the first language after Vietnamese, but it does not consider the teaching of French as a proper USIE activity. The French observation that language teaching by USIE "seems odd" is hardly consistent with their own Alliance Française programs all over the world.

2. It is entirely appropriate that the first book under the USIE translation program was US History. This is a long range project. The books are intended for use in schools and libraries where reference material on history is needed and wanted. If the Viets "know nothing or little" of their own history or that of France, this is a problem for the Ministry of Education and incidentally one which should have been taken up long ago. It is not an activity for USIE. Neither is it a USIE responsibility or function to publish works on Vietnam or on France. Articles and pamphlets showing progress in Vietnam and her development as a State have been and will continue to be published by USIE. But the book translation program will include only timeless material, and in general, standard US works will be selected for translation.

3. VOA programs are intended to be propaganda programs, carrying official statements of US government spokesmen and world news.

than any other for military aid program, with other State armies and French Union Forces at same degree of urgency." (751G.5/7-1351)

In telegram 187 from Saigon, July 21, Minister Heath reported the following:

"I saw President Huu yesterday afternoon. I gave him substance Deptel 73, July 17 to effect that while Korean cease-fire conversations and negotiations offered no opportunity for 'guarantee' that Huu had suggested for Indochina, US military aid now programmed to supply increased aid with highest priority for both Vietnam and French Union Forces. Huu said he did understand that effective 'guarantee' he wished was impossible of attainment for Korean parleys. He comforted to hear again that military aid would be coming to Vietnam with priority but worried lest next fall Chinese step up aid, perhaps even send troops, to support Viet Minh." (751G.5/7-2151)

¹ *Ante*, p. 425.

² Not printed.

While the programs have been admittedly weak due to the difficulties and delays of recruiting qualified personnel, marked improvement has been noted since the arrival of 4 translator-announcers from Saigon and progress should continue.

4. Personnel will be the subject of another communication.³

ACHESON

³ Not printed.

751G.551/7-1851 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, July 18, 1951—11 p. m.

157. De Lattre asked see me yesterday evening. I found him incensed by certain passages in *Time-Life* correspondent Dowling's story of celebration July 14 particularly assertion that "truth of matter was that never in Indochina were below the surface Franco-Amer relations at lower ebb". (For other statements in Dowling's despatch objected to by De Lattre see Legtel 160 rptd Paris 57, July 18).²

1. De Lattre launched into long complaint against type of Amer correspondent's writing, he asserted, tendentious and sensational stories seeking to "envenom" Franco-Amer and Franco-Viets relations here without appreciation Fr sacrifices and contribution towards holding pass against Communism; difficulties which wld be perilously increased here as result of cease-fire in Korea. I agreed that there had been several incidents of sensational and incorrect reporting, but reminded De Lattre he had generally had magnificent press in US. I cld not, as he suggested, exert any authority over free Amer press beyond giving facts when correspondents consulted me. Postponement signature ECA agreement unfortunately provided material for press despatch of type he disliked. Agreement shld, I felt, be signed earliest possible moment. De Lattre replied he agreed emphatically and for that reason had sent his financial counselor to Paris to speed up final approval. He referred to my ltr (Legtel 3, rptd Paris 1, July 1)² in which I took exception to statement in his press release that Amer negotiators "must have known" that agreement cld not have been signed on June 30. I repeated my objection to the statement saying that we had no reason to doubt the assurance of Viet Govt that they were authorized sign agreement on that date. De Lattre argued our negotiators must have known that consultative procedure

¹ This telegram was transmitted in two parts.

² Not printed.

between Vietnam and Fr made that date impossible and that in any case "courtesy shld have suggested" that we consult High Commissariat to assure ourselves everything was in order. I replied that we had no reasons go behind Viet Govt assurance and since it was a bilateral agreement with Viets there was no reason again consult Fr, particularly in view fact we had formal assurances in writing from the Fr negotiator that Fr approval draft had been obtained. Further argument was terminated by De Lattre saying, "you can not convince me and I can not convince you. Let's drop the discussion."

2. Returning to the question Amer press reports on Indochina, De Lattre again expressed his concern over their effect on Franco-Amer relations and asserted that reporters must have gotten some of their incorrect material from members ECA mission and possibly also from junior members Leg and Amer consulate in Hanoi.

I said I welcomed chance discuss state our relations here and our policy and that I was in some position to speak with authority. Dept had confirmed that Amer cooperation and actions here were to supplement and not to supplant or undermine position of Fr in Indochina. As regards ECA operations, they wld be carried on with proper consultation and due regard and sympathetic understanding of Fr position. (Note: I did not go beyond this gen assurance in this conversation at this time in view objections raised by Blum ECA chief (see Toeca 841, July 12³)) to the specific assurances proposed in para numbered 2 my 2355, June 29, rptd Paris 944. I am firmly convinced however for reasons advanced in my 2355 that these precise assurances must be given, preferably before De Lattre departs for Fr next week.

As regards assertions members ECA Mission and Legation were taking line at variance with our policy in IC, I intended shortly brief all members Legation and US missions here to the end that they fully understood value to cause of freedom French efforts IC and validity French aims that the Associated States of IC remain in French Union. I wld warn them that they must not give encouragement by listening without comment to improper—I repeated improper—criticisms of French sacrifices and intentions and that I wld consider any violation of this rule as insubordination.

On other hand, I had two things to request of him of which the first was very important and was that he take steps to stop false and anti-American reports of his entourage and secret police regarding American aims and operations in IC. I remarked that I knew that every intelligence service and secret police which relied in part on paid informers recd false and tendentious reports and I was certain that was case here. De Lattre demurred saying he did not think he

³ For extracts, see p. 450.

had recd any anti-American reports. I replied I felt certain he had. One such report he had given much credence to was that American Consulate Hanoi was subsidizing Dai Viet paper *Thoi Bao* now closed. As another example I felt fairly sure Chinese language specialist my Legation, who of excellent character and standing, had been represented to High Commissariat as being a secret service agent. De Lattre wld not agree that he was recipient false stories about American activities but took note my statement. I continued that minor request of mine was that there be fuller exchange info. We were receiving good cooperation as regards economic and military intelligence but French studies and info on VM and Commie activities IC were only partly made available to us. I asked that officials be instructed give us full info on such points and he agreed that he wld do so but without much enthusiasm.

3. De Lattre then took up question of newspaper stories that France was considering some sort truce with Ho Chi Minh and VM. Without definitely asserting that French Govt wld never undertake such action, he said he wld not and cld not make such a compromise. It wld mean rapid loss IC's independence to Chinese and Commie imperialism. With loss his only son in battle he had, he said, a greater moral authority and duty fight on here until Associated States were fully secured. He was confident victory although danger of greater Chinese aid and even participation in VM military operations had greatly increased with prospect of Korean truce. De Lattre said he was going see job through here. Stories that he wld accept governorship French Morocco were completely without foundation; he had no ambition accept any other position France cld offer him. His trip France wld be very brief (see Legtel 158, rptd Paris 55, July 18).⁴

4. De Lattre informed me that he wld be glad attend opening of American library either July 23 or 24 and wld make few remarks.

Comment: Dept will notice that in my conversation with De Lattre I said most of things which I advocated in mytel 2355, June 29. It will be necessary, I feel, however, have another frank talk with De Lattre and in that case I hope be authorized make without change all statements advocated mytel 2355.

The resentment caused by the postponements signature ECA agreement and *Time-Life* correspondent's despatch referred to in this telegram have given De Lattre, I believe, some salutary worry with regard Franco-American relations IC.

Sent Dept 157, rptd info Paris 54.

HEATH

⁴ Not printed.

611.51G/7-2051 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

[Extracts]

SECRET NIACT

SAIGON, July 20, 1951—11 p. m.

Unnumbered. Personal and eyes only for Lacy. No distribution. Pls refer to Legtel 2355, June 29 and Saigon Toeca 841, July 12.

Our primary objective in Indochina at present time, our first consideration, is real estate. There are aims of Fr policy and aims of Viet policy but the aim of Amer policy here, now, is to see to it that the land and the resources of IC do not fall into the Soviet sphere. We are interested above all else in seeing to it that the strategic position, the rice, the rubber, and the tin of SEA shall be denied, as long as is possible, to the Commie world. What contributes to that end must be protected, what detracts from it must be discarded. We are thus neither pro-Fr nor pro-Vietnamese; we have no permanently fixed ideological position in Franco-Vietnamese politics, we will support whatever we think advances def of the area against Communism, we will oppose whatever inhibits that def. We are prepared as we have been in past to caution or to advise either party. For the immed future and against, at the very least, this year's Commie onslaughts Fr arms and Fr resources will have to do the job of def if it is to be done at all. I regard this position in all its bluntness as neither militarist nor materialist. The defense of Vietnamese liberties and aspirations, the only hope of an independent and viable Vietnam lies in the def of its geography and in resolute perseverance in the war. These facts are no more unpleasant than those which govern life in other parts of the world mid-way in the Twentieth Century.

Now the Fr have in Indochina not only a mil position to which we are supplying arms but also a polit position represented by the still nascent Fr Union. For this political position they also expect and bespeak our assistance. They see in the Fr Union concept both the best hope for a continuing def of Indochina and the only basis on which the Fr public, Fr political parties and the Fr Parliament will consent to make the sacrifices of men and substance necessary to carry on this war. The only authorities we have on Fr politics tell us that on this latter point the Fr are not mistaken. The existence of the Fr Union is at once a fact of polit importance and a fundament for all third-power relationships.

¹ This telegram, transmitted in six secret and one top secret parts totalling 15 pages, contained Heath's objections to aspects of Economic Cooperation Administration policy in Indochina which he considered at variance with Department of State policy.

If we were prepared for a withdrawal of Fr forces from Indochina or ready to supplement or replace them with US or UN or other forces we might logically and practically challenge the Fr Union idea. If we are not, if the continuance of Fr forces in Indochina is vital to our own Asian policy, and if condition for the continuance of Fr troops here is maintenance of Fr Union formula, then the claims of the concept of independence within the Fr Union demand the most careful consideration. And procedures and relationships already agreed to within the Fr Union must largely shape our own approach in this period of Indochina dependence on France.

I think the record shows that Dept has generally understood and has defined its own policies within limits of Fr Union formula. I have read most of, not all of, the record of ECA policy formulation to which Toeca 841 refers and fail to find any similar depreciation [*appreciation?*] or allowance of the political claims of the Fr Union concept.

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How seriously present divergence in views between Dept and [ECA] is to be taken is moot.² I think Fr regards STEM more distrustfully and more resentfully than ECA has been willing acknowledge. Already there have been criticisms made officially by highest Fr rep in IC to US Min, there has been one official protest on publicity, there is what Toeca 841 describes as "a worsening relationship" and use official Fr censorship to alter ECA publicity releases. There has been postponement economic aid bilateral motivated in my opinion as much by suspicions entire program and its objectives and by lack continuous consultation at highest levels as by procedural and substantive objections subsequently advanced. If ECA programs stood alone we could perhaps view these manifestations with more complacency but Fr resentment of absence of framework agreed premises with STEM threatens involve whole fabric our relations with Fr in IC and to imperil attainment our policy objectives. Mr. Blum writes that disintegration Fr authority and growth of Fr unpopularity started long before STEM arrived in IC. I agree and would add that suspicions of Amers and distrust US intentions in IC also have history which antedates STEM. Problem is not to maintain but to create confidence between US and Fr in IC. The record of OSS-VM relations during war, virtual US embargo on assistance to France in IC immediately after war, our reluctance make commitments as to extent our engagement in IC in hypothetical circumstances, activities certain irresponsible American journalists in area all form background to present mistrust, exacerbated as well by current Fr [*U.S.?*]-Fr tension elsewhere. Against this background and current Fr uneasiness re our undercover and eco-

² This extract is taken from the top secret portion of the telegram.

conomic programs I have urged, for accomplishment our policy ends, period of fuller cooperation and more ample consultation. I have no reason to withdraw that recommendation.

2. Final considerations must influence determination these issues.

First, we must recognize that cardinal aim Communists policy in this present phase is to split US and Fr, that IC almost ideally suited for attempt because of its own internal contractions [*contradictions?*] and because once successful here, effects or rupture wld quickly embitter further aspects of Franco-Amer policy. To resist this design and very considerable effort of propaganda already devoted to it in Fr, US and IC, will be tests of statesmanship. As stronger member of partnership we can perhaps bear little more than our share, but I am confident that once we give them lead, Fr will not be lacking. But task is clear: To maintain and perfect our understanding and cooperation with Fr.

Secondly, pressures will mount in Fr and IC for negotiated appeasement in Vietnam with forthcoming negots on post armistice political settlement in Korea. Problem may soon become one not of attempting persuade Fr to intervene less in IC but to continue their exertions beyond politically popular level. As indicated in Legtel 159, July 18 ³ there have been and are significant forces in France and IC that seek such compromise settlement. I can think of no more influential tool for these appeasers than situation in which they cld claim that US either has no real faith in or is actively opposed to Fr Union and that choice in any event is whether IC [*belongs?*] to Russians or to Amers. Now is time above all where all our divergencies, to extent possible, shld be minimized. I think we must concentrate our energies and our plans on staying the course in IC, that we shld cease to bemoan even to ourselves necessity for program of support to Fr but shld welcome fact that they here carrying major load, that we shld stop worrying about what our position will be in what will be left of IC if Fr withdraw and instead give them and ourselves confidence that together we can hold the pass. (*End msg.*)

Sent Dept unnumbered, rptd info Paris eyes only for Bruce unnumbered.

HEATH

³ Not printed.

751G.5/7-2351

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State ¹

TOP SECRET

[WASHINGTON,] July 23, 1951.

Subject: French Ambassador's Call on you at 3:00 p. m. July 23rd.

Your office has been advised by the French Embassy that the French Ambassador wishes to discuss with you the possible effects on Indo-

¹ A marginal notation indicates that this memorandum was seen by H. Freeman Matthews, the Deputy Under Secretary of State for Political Affairs.

china of a truce in Korea, more particularly the possibility of a diversion of Communist forces from Korea to Indochina.

We believe that the Ambassador is likely to approach the complicated problem identified above by attempting to secure from you the answers to three questions:

1. What increased assistance to the forces of the French Union in Indochina will the United States supply in the event of a large scale Chinese intervention in the struggle with Ho Chi Minh?

A. It is recommended that you say that an answer to this question can only be supplied by the President of the United States, after consulting his principal civilian and military advisors, and then only at the moment the contingency has arisen. You might point out that it is impossible to make such decisions in advance since other factors bearing upon that decision cannot be known in advance. You may go on to say that the United States has accorded its military assistance program to Indochina a priority second only to that accorded the Korean program. You might take this occasion to press upon the French Ambassador the importance to the successful defense of Indochina of the National Armies which, in our opinion, provide the only prospect for the manpower necessary to do the job.

2. The French Ambassador is likely to ask your opinion as to whether France or the Associated States should take recourse to the United Nations in the event of a large scale Chinese intervention in Indochina.

A. It is recommended that you say to the French Ambassador that of course this decision is one for the Republic of France, the Associated States and the Council of the French Union.

3. The French Ambassador is likely, averting to his first question, to ask you if the United States-French-British military conversations lately concluded at Singapore may cause the United States Government to change or increase the character of its participation in the defense of Indochina and Southeast Asia. You may reply that you understand General de Lattre to have said that he could hold Indochina if he were given approximately seven infantry divisions with appropriate naval and air units. You may say to Ambassador Bonnet that he knows the United States is not now planning to deploy ground forces in Indochina. That you understand the British do not plan an increase in their efforts in Indochina and that you suppose the only source of this manpower would be the French Union.

Background Information

We find it almost impossible to forecast Chinese and Russian intentions in Indochina at the present stage of the truce talks at Kaesong. We are inclined to sort out the possibilities as follows:

a. If a genuine truce is achieved which results in the significant reduction of Chinese forces in Korea, it seems to us almost certain that

the Chinese will increase their support, in both matériel and men, to Ho Chi Minh and the Burmese Communists. We are inclined to believe that Communist strategy in this circumstance would not require an invasion of Indochina or Burma by "Chinese Armies". It would not be necessary to the accomplishment of their immediate objective which is, in our view, to keep Southeast Asia in a state of instability and fear.

b. If no truce is achieved in Korea and the fighting continues it seems unlikely that the Chinese will be able significantly to increase their support of Ho Chi Minh or Burmese Communists.* If, however, the truce talks break off because it becomes evident that the Chinese have been talking peace in order to prepare a build-up, I think we must then assume that the Chinese are prepared to drop their mask not only in respect to Korea but in respect to Indochina, Burma and Indonesia. If, therefore, the Chinese resume hostilities in Korea we should assume that as soon as they are able they will increase their efforts to control Southeast Asia through invasion and subversion.

Mr. Lacy will be present during your conversation with Ambassador Bonnet.

*The forgoing relates to equipment. The estimated capability of *invasion* remains. [Handwritten footnote in the source text by Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs.]

751G.5/7-2551 : Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, July 25, 1951—1 p. m.

127. Fr Amb called on Secy July 23 to discuss defense of IC with particular reference to possible effects on defense IC and SEA of truce in Korea. Amb stated his Govt eager to determine, as far in advance as possible what steps cld be taken in event of large-scale Chi intervention by US, UK and Fr in concert successfully defend IC. He suggested on behalf his Govt two courses of action either or both of which might provide a basis for satisfactorily anticipating requisite action and forestalling Chi intervention :

(a) A convocation of reps of US, UK, Fr FonOffs to discuss implementation of recommendations made at mil conf Singapore. In this connection Fr Amb remarked on evidence Chi build-up on Tonkin border and on agreement at Singapore that defense of Tonkin was key to defense of SEA.

(b) Discussion by "interested parties" of guarantees against Chi aggression against parts of Asia other than Korea ; Amb said his Govt understood such matters cld not be incorporated in present mil truce discussions and thought they shld take place fol conclusion of truce. In reply to Secy's question Amb replied that it was inevitable that such discussions wld include Chi Commies, as such undertaking on such broad matters by North Koreans alone wld be useless. Further efforts

on part Secy to determine when and between whom such discussions shld take place proved unavailing. Secy took this opportunity to suggest desirability Schuman's personally participating Jap Treaty ceremony San Francisco¹ for which Secy implied he wld discuss this matter with Schuman. Fr Amb at first agreed desirability Schuman attending San Francisco ceremony but later pointed out that he thought latter wld be unable to attend if the Assoc States IC were excluded from list of signatories. He engaged however to pass suggestion on to Schuman at appropriate time.

Secy assured Fr Amb that Dept seriously considering manner in which Singapore recommendations shld be carried out and had given most earnest consideration to manner in which security of Asian countries other than Korea, particularly IC might be assured in connection with, or in consequence of Korean truce. He told Fr Amb that we were doing our best to find some formula which wld satisfactorily deal with problem inclusion Assoc States as signatories Jap Treaty in face of opposition other Asian states. Bonnet suggested possibly announcing at commencement Treaty ceremonies that signature to Treaty did not imply change in relations between signatories, i.e., India by signing together with Assoc States does not imply recognition latter by former (this had previously been suggested to Fr Amb by Mr. Dulles² as possibility for consideration).

Fr Amb stated his Govt realized proposal (b) difficult to pursue; hoped proposal (a) might be dealt with relatively soon.

Sent to AmLegation Saigon 127; rptd info AmEmbassy Paris by pouch, AmEmbassy London by pouch.

ACHESON

¹ For documentation on the Japanese Peace Treaty, see pp. 777 ff.

² John Foster Dulles, Consultant to the Secretary of State.

611.51G/7-2751

Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Assistant Secretary (Rusk)

SECRET

[WASHINGTON,] July 27, 1951.

My compressed impression of the issues involved in the recent Heath and Blum telegrams regarding American policy in Indochina is as follows:

(1) Heath believes that our sole present interest in Indochina is "real estate". By this he means the prevention of Communist control and exploitation of the human and material resources of Indochina. From this he reasons that only the French Union Army (preponderantly French) can prevent the physical capture of the country by Ho Chi-minh with Chinese Communist direct or indirect support.

Heath then reasons that the French Republic is willing to make the necessary sacrifices in money, matériel and men, only on the basis of the French Union concept under which Vietnam, Laos and Cambodia would enjoy independence within the Union, and not complete and unqualified independence. From these premises it follows that we must loyally support the French in their concept of the French Union. I do not believe by any means that Heath excludes exertion of pressure on the French by us to modify what we might consider to be an unreasonable interpretation or extension of the French concept.

(2) Heath considers that ECA-Washington, Bob Blum and the STEM Mission in Indochina understand our policy to be bifurcated—military aid to the French Union forces (i.e., the French) with some assistance for native armies which do not exist and economic support for the three native governments, the latter designed to strengthen their prestige and thereby increase possible support for them.

(3) He apparently further believes that many on the STEM staff through insufficient indoctrination and absence of political training, or in the case of their information people, an excess of zeal coupled with professional competence, have neglected STEM's relations with the French and lent themselves to Vietnamese intrigues against the French. I suspect there is a good deal to Heath's fears. For one thing, it is hard for me to believe that ECA or anyone else could persuade a doctor or an engineer, or a technical expert in almost any field to go to Indochina under present conditions unless he possessed a strong humanitarian motivation, which almost by definition would place his sympathies on the side of the native people and against their colonial ex-masters. Nevertheless, Heath must bear a large share of the blame for this since he makes clear that the situation is not a new one. The responsibility for making sure that all Americans with official status in Indochina are well briefed on American policies and local political pitfalls rests squarely on the Minister.

(4) The above analysis, to my mind, obscures the underlying inarticulate issue. This issue is, how best do we assure the preservation of Indochina from Communism? A course which supports the French Union Army yet so alienates the local people as to produce mass defections to Ho Chi-minh can lose the country to the Communists just about as easily as a military victory over De Lattre by an invading Chinese Communist army. At the other extreme, a course of action which collapses the will of the French to continue to make an effort in Indochina will just as rapidly result in the fall of French Indochina to the enemy.

(5) The clue to the proper conclusion, I am convinced, is the nature and sincerity of French intentions. To reduce the problem to personali-

ties, it seems to me reasonable under the circumstances that the question becomes one of clearly analyzing the intentions of General De Lattre.

(6) I am left with the impression that De Lattre has completely captured Heath's confidence. I believe further that it is a fair inference that the flamboyance, vigor and Napoleonic character and personality of De Lattre have simultaneously excited the hopes of the French in Indochina who deplored the granting of independence, and the fears of those Viets who all along thought it was too good to be true. It is easy therefore to see why the last few months have revealed a rift between Heath's and Blum's interpretation of American policy, which probably existed virtually undiscovered all along.

(7) I feel strongly that our responsibility here in Washington is to iron out any divergencies in policy or its interpretation which may exist between us and ECA and not deepen the controversy in Indochina by transferring to the field aspects of the problem unresolved here.

(8) I also believe that we should attempt to defer any final conclusions until De Lattre and Heath are here. The former's visit should enable us collectively to assess De Lattre and his intentions. The result may be to reinforce or to modify the impressions Heath has formed in Indochina.

(9) I think both Heath and Blum are right and the division between them is not as great as appears from the cables. Of course we must uphold the French hand but only in support of French policies and attitudes which in our judgment are directed toward the development politically of the three states along lines which strengthen their will to resist Communism. I approve the fact that our military aid is being channelled in increasing amount to the National Army and I believe that the prompt creation of an effective National Army is our best if not our only hope in Indochina. I believe that the economic aid should be designed and given in such fashion as to strengthen the native regimes and not the French. I believe that the French should be freely consulted and fully informed. Apparently this has not been done in the past, as I understood it had. This should be rectified. Although I lack adequate evidence, I strongly suspect that much ECA publicity in Indochina has been inept, excessive and needlessly offensive to the French. This I believe ECA has already cured by directives from Washington. I suppose, in a word, I would summarize my feeling by saying that whereas the answer to the problem is to a considerable extent military, for the obvious reason that a full-scale war is being conducted, nevertheless the political is the more important component.

751G.5/7-3051 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, July 30, 1951—6 p. m.

258. Re Legtel 253, rptd Paris 94.¹ Mobilization measures described in reftel may be regarded as key De Lattre's policy since declarations Vinh Yen.² His efforts enlist participation all non-Commie Viets in categorical material and spiritual mobilization against Viet Minh have been carefully spaced for cumulative effect and were marked by Vinh Yen appeal, the mammoth Tonkin parade on July 14 and Bao Dai's call arms. I believe De Lattre expects he can rally somewhat indecisive Viets behind firm leadership by confronting them each week with new and positive measures and counting on their divided councils, lack of organization and desire for security forestall dissidence. He apparently has wholehearted cooperation Huu Govt. All this is logical development Fr line of policy here in last two years but is now pushed with energy and decisiveness of De Lattre. It is, of course, not without considerable risk, especially since De Lattre is prepared break many eggs to make omelette.

Effect decrees for some time to come will probably bear chiefly on morale and foreign opinion rather than on military situation. Principal Viets military instrument will still be natl army now being forged by voluntary recruitment and transfers from auxiliary and Fr Union Forces of new call of technicians shld immed supply limited number specialists; for example 13 doctors have been called up (they include doctor Tran Van Do, possibly leading and most respected fence-sitter in south). Perhaps most striking of measures is provision of call up of 60,000 young men for mil instruction. Leg finds that auths expect no difficulty in securing this number trainees from relatively loyal or pacified areas, especially if recruitment is accompanied by material advantages such as pay and clothing. This and other mobilization measures however will only slightly ameliorate principal need of army which is for officer combat cadres, still being supplied at slow-motion rate from officers training echelons. (Inci-

¹ Telegram 253 from Saigon, July 30, is not printed.

² On July 15, Bao Dai issued a mobilization ordinance which assigned responsibility to Prime Minister Huu for the total mobilization of national resources to restore peace and order. The Huu Government approved certain implementing decrees on July 27, including ordinances providing for the calling up of doctors and technicians, the drafting of 60,000 men for military training, and the conducting of a national census.

Translations of the mobilization ordinance and the governmental implementing orders were transmitted to the Department of State as enclosures to despatch No. 78 from Saigon, August 9, not printed. (751G.5/8-951)

Regarding the Vinh Yen declarations, see footnote 2, p. 416.

dentially . . . first graduating class at Dalat show unwelcome preference for assignment to matériel and quartermaster jobs.)

It must be recognized however that call up is bold and positive step which either shld have been taken long time ago or which marks new increase in confidence on part of govt. In addition to its long range effect on military posture of Vietnam it furnishes the govt an opportunity indoctrinate its elite and numerous young men. If it succeeds, it opens way for bigger things.

There are indications that Viet Minh intends regard mobilization as tests strength and it is conducting violent radio campaign against mild census.

Leg will report progress execution these decrees.

Sent Dept 258, rptd info Paris 96, Hanoi unnumbered.

HEATH

751G.00/7-3051 : Telegram

*The Minister at Saigon (Heath) to the Secretary of State*¹

SECRET

SAIGON, July 30, 1951—8 p. m.

261. I had fairly extended talk with Australian FonMin Casey² after his call on Bao Dai at Nhatrang. He found Bao Dai intelligent with keen understanding of problems faced by his country but, it seemed to Casey, lacking will to exert strong leadership which situation demanded. He asked whether Bao Dai cld not be stimulated and inspired to greater public activity, whether it wld be practical assign high class counselor to him to that end. I replied as practical measure one had pretty much take Bao Dai as he was. It was neither in his psychological makeup nor in Viets imperial tradition to exert dynamic, out-in-front leadership that wld be expected of chief of state of western country at war. Bao Dai insisted he knew his people and that incessant public appearances was not what they expected or wanted of their emperor-chief of state. Their traditional conception of emperor was mystic one of high personality above daily business of governing but watching over his govt in interest welfare his people. I personally thought Bao Dai might be indulging in some rationalization in thus limiting his role but his observations doubtless did contain some truth. In any case, it was mistake get impression Bao Dai was idle and uninterested. He did make public appearances and addresses. He was rather remarkable politician who kept in touch with and meditated [*mediated?*] between various conflicting polit and regional groups in the country. He ought of course take more active public role and De Lattre was endeavoring stimulate and inspire him to

¹ This telegram was transmitted in two parts.

² Richard G. Casey, Australian Minister of External Affairs.

such activity and with some success. I tried fol same line. Bao Dai was not however, man to be pushed.

Casey then inquired whether a PriMin more dynamic than Huu cld be found. I said it was not easy find such individual under present circumstances. Tri, one of most capable men, had gotten into squabble with Pres Huu partly at instigation his party, the Dai Viet, with result that he had had to resign. It wld presumably be several months before he cld be brought back into govt. The Catholic leader, Ngo Dinh Diem, who enjoyed fairly widespread prestige and reputation for honesty had been intransigent in his demands and in his dealing with Bao Dai and Huu Govt. If Huu was not prototype of wartime PriMin, he had, nevertheless will to govern, had conservative progressive program and had made progress in extending auth his govt. I thought he was personally honest.

Casey said he rather subscribed to view that key to def SEA was IC and as such it was one of outer seas of Australia. I said I definitely entertained that view.

He then asked my opinion De Lattre and I paid tribute latter's mil genius, his sincerity, his will and energy and said with regard polit program De Lattre had initiated in last few months, that it was premature say it wld fail.

Casey then said he planned expand the number Australian for missions and wanted place on [*in*] SEA. He had first thought of Bangkok and inquired what I thought of his sending rep Saigon. I said I thought it most desirable step. It wld have very great polit effect. While some thirty odd nations had recognized Assoc States, only four had actually sent diplo missions. Mil worth and idealism Australia were generally recognized. Casey appeared agree and said he wld merely send min and one secy. He supposed he cld depend on assistance Brit and Amer legs here helping his envoy. I said he cld fully count on cooperation with our mission here.

Comment: I hope that in Canberra and Wash Dept will, when occasion offers, encourage Australia establish representation in Saigon.

Casey said he was by-passing Taipei with regret; he wld have welcomed talk with Chiang Kai-shek and his advisers. He had sought both Wash and London's view as to effect his visiting Formosa. Wash had been non-committal but London had expressed quite strongly opinion that Formosa visit wld be mistake.

I also spoke with Watt, Secy Australian FonOff.³ Watt said great question was whether Fr were really sincere in their announced policy of giving eventual independence to Assoc States and asked my view. I said that in my personal view there was no doubt that Assoc States

³ Alan S. Watt, Secretary to the Australian Ministry of External Affairs.

wld achieve real independence within Fr Union. Even if Fr Govt tried turn clock back toward colonialism it cld not do so against resistance such action wld produce in Vietnam and against disapproval other countries on which Fr counted for support. Watt thought building Vietnam natl army wld be great guarantee for eventual independence. I agreed and remarked Fr in their own mil interest were forming this army as rapidly as possible. I warned however that sure efficient Viet army inculcated with discipline and spirit loyalty to established govt cld not be formed overnight.

Sent Dept 261 Paris, Hanoi, Canberra unn.

HEATH

751G.00/8-251 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, August 2, 1951—4 p. m.

692. Dept may have failed to notice report of alleged speech by Joliot-Curie¹ to World Peace Conference² on July 20 in which he is quoted by Tass as stating:

"This important event (Korean negotiations) instills a great hope among a vast number of honest people . . . it is important that . . . negotiations to end the war in Vietnam be started. Now more than ever before must we intensify the struggle for realizing our appeal and this will lead to the triumphs of the spirit of peaceful negotiations over the disastrous striving to gain decisions by violence."

It wld seem such an important statement cld hardly have been made by him without clearance from high quarters, certainly from Moscow and perhaps other world capitals.³ Perhaps USSR and CPG wld wish wind up shooting war in Indochina as well as in Korea in hope of later "peaceful penetration." Judging from reports from Saigon,

¹ Professor Frédéric Joliot-Curie, French High Commissioner for Atomic Energy, 1946-1950.

² Documentation on the Soviet-sponsored World Peace Conference is scheduled for publication in volume IV.

³ Telegram 216 from Moscow, August 6, in which Ambassador Alan G. Kirk commented on the above telegram, read as follows:

"Emb confident as suggested in reftel that Joliot-Curie statement (at Helsinki WPC meeting) re Vietnam negots not made without previous consultation Moscow, wherein he visited shortly before attending Helsinki. Previous WPC refs to Vietnam include: (1) WPC Berlin (1951) res on 'struggle for peace in colonies and dependencies'; (2) Nenni WPC Berlin speech which stated 'as in Korea, so in Vietnam the war is continuing owing to the absence of an authority capable of compelling cessation hostilities and resort to mediation', and which mentioned burden of war on France. WPC (Warsaw November 1, 1950) address to UN called for 'cessation hostilities against Vietnam Republic'. Vietnam rep at Warsaw congress, trans-Tanh [sic], made rather aggressive speech including refs to Vietnam counter offensive, but subsequent military events plus present Kor negots may well have increased Vietnam desire negots." (751G.00/8-651)

prospect of peaceful settlement with Ho Chi Minh might strike responsive chord among Fr authorities some of whom seem anxious for any solution which wld permit their graceful exit from present costly and unpopular impasse.

Dept pass Saigon. Sent Dept 692; rptd info Paris 257, Moscow 14, Saigon 3.

HOLMES

INR Files ¹

Memorandum by the Central Intelligence Agency ²

SECRET
NIE-35

[WASHINGTON,] 7 August 1951.

NATIONAL INTELLIGENCE ESTIMATE ³

PROBABLE DEVELOPMENTS IN INDOCHINA DURING THE REMAINDER OF 1951*

THE PROBLEM

To estimate the current situation and probable developments in Indochina during the remainder of 1951.†

¹ Files retained by the Bureau of Intelligence and Research, Department of State.

² A note on the covering sheet of the source text read: "The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 2 August."

³ An unnumbered instruction to the Consulate at Hanoi, dated September 28, which transmitted a copy of NIE-35 for information, read in part as follows:

"This National Intelligence Estimate (NIE) is one of a series of high level intelligence estimates recently initiated and drafted jointly by the Intelligence Agencies under the coordinating leadership of the Central Intelligence Agency (CIA). Each NIE is reviewed and approved by the Intelligence Advisory Committee (IAC) composed of the Director of Central Intelligence (Chairman) and the Chiefs of Intelligence of the Departments of State, Army, Navy, Air Force, Joint Chiefs of Staff, the Federal Bureau of Investigation and the Atomic Energy Commission. NIE's are published by the CIA and distributed to the President, members of the National Security Council and very limited number of other high officers of the Government.

"The NIE's differ from the estimates previously issued by the CIA in that they represent, in all the stages of their development and preparation, the collaborative effort of the various intelligence agencies. Thus, the NIE's do not present CIA opinion with merely the concurrence or dissent of the Departmental intelligence agencies, but instead present the coordinated expression of the several Departmental points of view on the problem at issue. Consequently, unless noted by a dissent or otherwise, these papers may be assumed to represent the coordinated intelligence view of the United States." (751G.00/9-2851)

* The emphasis in this estimate is on probable developments in the key areas of Vietnam, and particularly Tonkin which is the focal point of present military operations. [Footnote in the source text.]

† This estimate covers only the first part of the 1951-52 dry season, the season most favorable for large-scale operations. Available intelligence did not permit a reliable estimate beyond the end of 1951. [Footnote in the source text.]

CONCLUSIONS

1. The current military stalemate in Indochina appears likely to continue at least through the end of 1951, unless the Chinese Communists directly intervene with forces over and above the estimated 30,000 "volunteers" which they can introduce as individuals or in small units in probable continuation of present assistance to the Viet Minh.

2. If the Chinese Communists directly intervene with large forces over and above those introduced as individuals or in small units, the French would probably be driven back to a beachhead around Haiphong. The French should be able to hold this beachhead for some time, unless the Chinese Communists achieve air superiority.

3. Direct Chinese Communist intervention is not likely as long as the Chinese Communists are extensively committed in Korea.

4. If hostilities in Korea end, or the Communist commitment there can be substantially reduced, there will be an increased likelihood of direct Chinese Communist intervention in Indochina. On balance, however, we consider such intervention unlikely during the period under review.

DISCUSSION

The Current Situation

5. The present military situation in Indochina is one of stalemate. In the period since General de Lattre de Tassigny assumed command, the Franco-Vietnamese forces have repulsed the Viet Minh drive to conquer Tonkin, and firmly hold the key Red River delta around Hanoi and Haiphong (see map). French successes apparently resulted from: (a) the energetic leadership of General de Lattre, who revived flagging French morale; (b) MDAP aid; (c) the arrival of French reinforcements; (d) the inexperience at large-scale warfare of the Viet Minh guerrillas; and (e) the limitations of Chinese Communist support. The inadequate staff work and lack of supporting arms of the Viet Minh forces placed them at a serious disadvantage in pitched battles with the French, who were strengthened by the timely arrival of US military aid, including aircraft, napalm bombs, patrol and landing craft, and ground combat matériel. The Chinese Communists, upon whom the Viet Minh forces are dependent for logistical support, have been supplying them with ammunition, light weapons, and some artillery. Some 10,000 Chinese personnel have been infiltrated into the Viet Minh in cadre, technical, and advisory capacities. This number is believed to be increasing. However, the Chinese Communists, while apparently maintaining roughly the same level of material assistance as of last December, have not intervened directly or with substantial "volunteer" forces or noticeably stepped up arms aid. Under these

circumstances General de Lattre, drawing reinforcements from other areas of Indochina and skillfully using mobile reserve forces, was able to hold the Franco-Vietnamese military position intact and to inflict heavy losses on the Viet Minh.

6. Political developments, however, have been less favorable. Despite the gradual French transfer of certain responsibilities, the Vietnamese government has been slow to develop and has continued to suffer from a lack of strong leadership. It has had to contend with: (a) French reluctance to relinquish ultimate control of political and economic affairs; (b) lingering Vietnamese suspicion of any French-supported regime, combined with the apathetic and "fence-sitting" attitude of the bulk of the people, which has deprived the government of broad-based popular support; (c) the difficulty common to all new and inexperienced governments, of training the necessary personnel and building an efficient administration; and (d) the failure of factional and sectional groups to unite in a concerted national effort.

7. In January 1951 the opportunity arose of forming a broad-based cabinet representing most non-Communist group[s] in Vietnam; instead Premier Huu formed a cabinet composed primarily of members of his own pro-French faction. Although Huu has displayed some administrative skill and his government has gained slowly in effectiveness, the weakness of the Huu cabinet and its alleged "French puppet" status have limited its appeal to Vietnamese nationalism and have alienated strong nationalist groups, including the powerful Dai Viet group in Tonkin. Communist control of much of the country and Viet Minh infiltration of large areas under nominal French control have also discouraged many people from openly allying themselves with the government.

8. Efforts to create a National Vietnamese Army—an essential prerequisite to growth in the political stature of the Vietnam government and to an ultimate non-Communist solution in Indochina—have made some progress, and Vietnamese units have performed creditably in recent engagements. French intention to proceed with the building of the Vietnamese Army is evidenced by their assignment of sizeable French cadres and training missions to assist in organization and training. Plans call for the expansion of the army from its present strength of 54,000 to 100,000. However, it will take considerable time before the planned forces are organized, trained, and equipped in battalion units, and even longer before effective divisional units can be put into the field. Progress in the formation of the army is retarded by lack of capable officers at all levels of command, shortages of equipment, and the apathetic attitude of the population. At the same time,

differences of opinion between the Vietnamese leaders and the French, particularly over who will exercise control over the Vietnam Army, have prevented full cooperation and maximum progress in the army's development. Delay in establishing a Vietnam Army under Vietnamese control has been a contributing factor in limiting popular support of the Vietnamese regime.

9. On the opposing side, the political structure of the Viet Minh has been reorganized upon more openly and aggressively Communist lines, following the usual pattern of political development in other Communist countries. The Communist Party role has been strengthened, with strict party-liners coming more into the foreground and Ho Chi Minh himself apparently playing a less important part. This development may have been timed to forestall any "nationalist-deviationist" tendencies in the Viet Minh, and as a prelude to greater Chinese Communist participation in and direction of the movement. In the absence of further military victories, Viet Minh popular support appears unlikely to increase. While we are unable to determine whether the Viet Minh is actually losing any of its popular appeal, the regime apparently is dependent more and more on tightened Communist controls. These tighter controls may prevent defections and facilitate the exploitation of people already under Viet Minh control.

Viet Minh and Franco-Vietnam Capabilities

10. The improved morale of the French forces, scheduled reinforcements, the gradual increase in the Vietnamese Army, and the continued arrival of MDAP aid will probably give the French, by October 1951, the capability of launching a limited offensive and possibly of recovering some lost territory. However, the French and Vietnamese will not, in the period under review, be able decisively to defeat the Viet Minh.

11. On the other hand, we consider it highly unlikely that the Viet Minh can seize the Hanoi-Haiphong area, even with continuation of the present type of Chinese Communist assistance. Although the Viet Minh, with continued Chinese aid, will be somewhat strengthened by the end of the rainy season in October, the Franco-Vietnamese forces will receive substantial quantities of MDAP aid during the next few months, and at least some of the 15,000 to 20,000 reinforcements promised de Lattre (of which four battalions are believed to have arrived).[†] French air strength, which is completely unopposed, will be further increased. The French Navy, which is to be reinforced by an aircraft carrier, can increasingly hamper the flow of seaborne supplies to the Viet Minh and facilitate French amphibious operations.

[†]See Appendix for a table of opposing forces. [Footnote in the source text.]

Moreover, by December the French ring of fixed defenses around the delta will be completed. Under these circumstances, the French would have the advantage of fighting from fixed defenses, which would permit them to assemble larger mobile reserves and to take advantage of their superiority in conventional as distinct from guerrilla warfare.

Chinese Communist Capabilities and Intentions

12. It is a basic Chinese Communist and Soviet policy to promote Communist control over Southeast Asia, and Peiping and Moscow recognize Indochina as a key to this region because of its strategic location and because of the advanced revolutionary situation already existing there. Peiping has already supported the Viet Minh regime by recognizing Ho Chi Minh's regime and by providing it with technical and material aid. There are numerous indications of Chinese preparations for greater military support of the Viet Minh, possibly including direct intervention with Chinese Communist forces.

13. The Chinese Communists are capable of substantially increasing their present type of aid to the Viet Minh, particularly by the integration of sizeable numbers of personnel as individuals or cadres into the Viet Minh Army. We believe that the reinforced Franco-Vietnamese forces could hold the bulk of their Tonkin perimeter against the Viet Minh even if the Viet Minh were supported by as many as 30,000 infiltrated personnel, although with such additional support the Viet Minh might win some local victories. Continued Chinese Communist infiltration on a large scale, however, would gradually make the French position increasingly precarious.

14. Turning to Chinese Communist capabilities for large scale intervention with their own forces, we estimate that roughly 100,000 Chinese Communist field force troops could now be made available and logistically supported for an invasion of Indochina. The poor transport net and forbidding terrain of the border region limit the forces which could presently be employed to that number. They could be logistically supported only for short offensive operations of about one week at a time, passing to the defensive during the intervals for replenishment of supplies. However, the Chinese Communists are slowly increasing their capabilities for stockpiling supplies by improving road and rail supply routes into Tonkin and are improving airfields in the border region. Consequently Chinese Communist logistical capabilities for offensive operations are gradually increasing.

15. In addition the Chinese Communists have the capability of mounting intense air attacks of short duration against the French, whose aircraft are concentrated on three vulnerable airfields in Tonkin. Successful Chinese Communist air attacks of this sort would

materially enhance Communist capabilities for large-scale ground operations. Communist air superiority in the Tonkin area would also materially hamper French surveillance and naval blockade of the Tonkin Gulf, and consequently permit increased over-water aid to the Viet Minh.

16. If the Chinese Communists intervene before the end of 1951 with 100,000 troops, they could probably eventually drive the French into a beachhead at Haiphong. The French, however, should be able to hold this beachhead for some time, unless the Chinese Communists achieve air superiority.

17. The Chinese Communists will undoubtedly be influenced in deciding whether or not to intervene directly in Indochina by the future development of the situation in Korea. So long as the Chinese Communists remain heavily committed in Korea, we consider it unlikely that they will intervene directly in Indochina. Although the Chinese Communists might drive the French from Tonkin, such a major victory is not assured. An indecisive and protracted campaign would place additional severe strains on total Chinese Communist resources.

18. If the Korean fighting is stopped under conditions which appear to remove the threat of renewed UN attacks, transportation difficulties in the border region would continue to limit the ground forces which could be supported in Tonkin, but the possible diversion of resources from the Korea-Manchuria area would permit early intervention with greater assurance of the continued arrival of supplies and replacements for the operation. We estimate that by two months after a Korean armistice, Chinese Communist capabilities for invading Indochina could be significantly increased, while air capabilities could be greatly increased. The Chinese Communists and the USSR might then consider that Indochina offers more favorable opportunities for a quick and decisive victory with less risk of US and UN intervention than did Korea. They might calculate that the US and UN would be unwilling to undertake another operation of the Korean type and that some UN members would be unwilling to defend what they regard as French colonialism in Indochina. Thus in the event of a cessation of hostilities in Korea, the likelihood of early Chinese Communist intervention in Indochina, particularly after the rainy season ends in October, would increase.

19. On the other hand, the Chinese Communists would probably hesitate to intervene openly in Indochina while they were negotiating for an over-all Korean settlement, including the withdrawal of UN forces, and these negotiations would doubtless take considerable time.

Moreover, if Communist acceptance of a cease-fire in Korea indicated a desire to seek a temporary "relaxation" of world tensions, early intervention in Indochina would be unlikely. We also believe that the continuing inadequacies of its line of communications, the strengthening of the French forces, and the risk of foreign intervention, would probably lead Peiping to conclude that it still could not count with certainty on achieving a quick and decisive conquest of all Tonkin, but might become involved in another protracted and costly campaign in which the risk of foreign intervention might increase. Finally, the Communists might expect that through increased cadre, material and technical aid to the Viet Minh they could still wear down the French and achieve successes without the necessity of early large-scale intervention.

20. On balance, therefore, we believe that the increased Chinese preparations in the Tonkin border region probably reflect an intent to facilitate the flow of "volunteers" and material aid to the Viet Minh forces, while preparing for possible large-scale intervention, rather than an intent to intervene during 1951.

21. Consequently, the probable outlook through the end of 1951 in Indochina is one of continued military stalemate, if the Chinese Communists do not directly intervene. The tightening of Viet Minh political control, the further development of the Viet Minh forces, and increased Chinese Communist aid will probably be balanced by the arrival of French reinforcements, more MDAP assistance, and progress toward creating a Vietnam Army. Some territory may change hands but we do not foresee any major victories on either side, at least through the end of 1951.

Appendix

OPPOSING FORCES IN INDOCHINA AS OF 1 JULY 1951

Franco-Vietnamese Forces:

French ground forces	150, 500
Armed Forces of Associated States	70, 700
Auxiliary troops	70, 000
Semi-military forces (railway guards, etc.)	80, 000

 371, 200

French Air Force	6, 858
French Navy and Naval Air Force	10, 000

 Total 388, 058
Viet Minh Forces:

Viet Minh regular forces	120, 000 (est.)
Regional militia	40, 000 (")
Irregular forces	85, 000 (")

 Total 245, 000
Opposing Regular Ground Forces in Tonkin:

Franco-Vietnamese troops	80, 000
Viet Minh troops	85, 000

 851G.00-R/8-751 : Telegram

The Chief of the Special Technical and Economic Mission at Saigon (Blum) to the Economic Cooperation Administrator (Foster)

CONFIDENTIAL

SAIGON, August 7, 1951—noon.

Toeca 953. 1. For your info and guidance wish emphasize that TA program offsetting Viets to US shows every sign proceeding very slowly and at present see little prospect speed up. In spite our constant prodding at all levels only applications for which we have recd formal govt approval are for proposed veterinary study trip. Number other cases still in abeyance including agri reform cong, young chemists study tour, bureau of reclamation program, and several individual cases in fields medicine, engineering and private industry.

2. Principal reasons for this regrettable slowness are fol:

(a) Hesitation local govt show too much interest Amer programs as contrasted Fr (there has been no direct evidence Fr pressure this regard but it may exist);

(b) Shortage qualified personnel practically all fields which makes local govts reluctant send specialists away;

(c) Gen inefficiency local govts officials in handling papers, taking responsibility and reaching decisions;

(d) Responsibility for coordination program of sending Viets to US under STEM program placed only two weeks ago in hands Min Plans and Reconstruction. He incidentally has been unable locate files on pending cases;

(e) Because touchy polit situation and fear that some undesirable person may be sent abroad, Pres Tran-Van-Huu has recently ordered that he personally wishes review each case. This obviously serious bottleneck;

(f) Pursuant recent mobilization order, govt organizing national census professional and tech personnel. Pending completion this census here gen prohibition departure techs and specialists with exceptions to be made only in selected cases. It looks as if doctors may be hardest hit.

3. Above for your background. Will keep pushing.

BLUM

851G.00-R/8-751: Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, August 7, 1951—11 p. m.

335. For Merchant. Personal from [for] Bruce. No distribution.

1. Ecato 872 July 31¹ unfortunate in timing and theme. Prior to its interjection local STEM had swung around (see Legtel 279 of July 31 [August 1]²), as it was bound, in reason, eventually to do, towards recognition indispensability of genuine consultation with Fr on policy and info programs. STEMs knew attitude was supported by recent approach of Paris OSR and ECA to establish friendly understanding with Fr officials with regard to US econ objectives in IC (see Paris tel 779 of Aug 3 and mytel 129 of Aug 8 [Aug 6]).³

2. Emotionalism of charges in Ecato 872 against Fr "monopolistic position", "special privileges", "loss of possession outright colonial monopolies", "obvious lack understanding basic reason why US recognized", "interference and officiousness" is disturbing as possibly indicative anti-Fr prejudice and failure achieve balance in appraisal realities current critical IC solution. Coupled with demand for "magnifying field programs expedited by shirt-sleeve Amer operations" these charges wld seem also disclose automatic application formulas devised long ago in another situation. Thus for Fr read corrupt KMT

¹ Not printed.

² In telegram 279, August 1, Minister Heath discussed recent efforts by Economic Cooperation Administration officials to improve relations with French authorities by providing assurances with respect to the scope and objectives of ECA activities (851G.00R/8-151).

³ Neither telegram 779 from Paris nor telegram 129 from Saigon to Paris, August 6, repeated to the Department of State as telegram 321, are printed.

Central Govt; for shirt-sleeve operations read JCRR programs, etc.

3. Fundamentally there are two ways in which ECA programs and objectives can be pursued IC. One is to pursue inflexible line with Fr at price misunderstanding and incessant dog-fight with them, and push ECA program through by tying it to other US projects here on "all or nothing" basis. Other way is attempt obtain Fr understanding in advance. Whether we wld proceed over Fr objections wld be matter for case by case determination, but Fr wld be given feeling their views important to US and wld invariably be solicited. Either these courses will probably succeed, so far as ECA concerned. Difference is that under former we wld be constantly quarreling with Fr, stimulating Viet officials play us off against each other, encouraging fence-sitters to remain inactive in hope of something better turning up. More importantly, under former method these quarrels and resultant ill-will wld not be confined merely to ECA but wld spill over and embroil or prejudice our other projects in milit and intelligence fields. It precisely here I believe Dept has great responsibility and shld not consider abdication policy-making function. However distressing to missionary econ enthusiasts, there are at least two present objectives here of higher importance than any particular ties economic form. First is to keep Fr fighting in IC (without real estate, economics returns to class room). Second is actual and potential use IC vis-à-vis Chi situation. Development of these objectives supremely matter furthering Fr-US confidence. Their conduct seems entirely responsibility of Dept.

4. I trust Dept notes current controversy solely question procedure. It is not now question as to choices between substantive projects. Nor will Leg offer gen rules in this field; each specific project shld be considered on own merits. We do of course hold opinion Fr reaction to any new project is one of basic factors requiring assessment.

5. In months ahead and for problems that will inevitably arise in mobilization, Nat Assembly formation, org of Fr Union polit institutions, elections and/or reorganization, Viet Govt, psychological warfare, and conduct IC war itself, there will be many occasions on which we will be compelled to differ with Fr. Our advice and counsel will be useful then as it has been in past. I believe we can exert our great influence with more telling effective work within framework of agreed principles and in atmosphere of confidence and coop. To this end our efforts shld be steadily directed.

6. I am concerned re ECA's intention to bring "realities US position" to De Lattre's understanding during his US visit.⁴ Rigidity of attitudes displayed reftel toward ECA formulas do not afford much assurance this confrontation will be helpful. I urge Dept to go over

⁴ See footnote 3, p. 480.

ECA's proposed presentation with utmost care prior any such mtgs.

7. I am somewhat disturbed by fact that Ecato tel in ref mentions last para "shown Merchant", which carries implication that polit analysis and operational policy instructions of Ecato reftel has some Dept approval. I suggest that proper instructions to STEM wld be point and brief ECA-State tel somewhat along fol lines:

"State and ECA approve Blum and Hochstetter recent efforts to establish a friendly informal consultative relation with the Fr in regard to present and future STEM operations. This understanding and consultation shld be steadily developed altho not of course to the point of abolishing the bilateral framework of arrangements with the Assoc States Govts. While Fr comments and suggestions will be given sympathetic hearing in view of basic responsibility and burden of Fr for protection IC, final decisions on STEM projects and operations must remain in Amer hands. The guiding policy of STEM operations in IC continues to be the strengthening of the Assoc States and their independence within the framework of the Fr Union".⁵

Sent Dept 355; rptd info Paris 137.

HEATH

⁵ Telegram 202 to Saigon, August 10, read as follows: "Heath and Blum from Merchant and Griffin. Dept and ECA happy to note success Blum and Hochstetter efforts establish and maintain friendly, informal consultative relations with Fr re present and future STEM operations. While Fr comments and suggestions shld receive friendly hearing, established bilateral framework of relations with Assoc States shld be retained with final decisions on STEM projects and operations naturally remaining in US hands. As in the past the guiding policy of STEM operations in IC continues to be the strengthening of the Assoc States and their independence within the framework of Fr Union." (851G.00R/8-1051)

700.5-MAP/8-851

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

CONFIDENTIAL

[WASHINGTON,] August 8, 1951.

Subject: Title III of Mutual Aid Bill

Participants: Congresswoman Edna F. Kelly (N.Y.)

FE—Mr. Merchant

By arrangement made last night by Mr. Rusk, I called on Congresswoman Kelly in her office this morning and spent what I regard as a fruitless hour attempting to answer a wide-ranging non-sequential series of questions.

Her primary concern is with the continued presence of the French Army in Indochina. She has been sold on the idea that Bao Dai is worthless and that the French must get out completely at once. She was contemplating, I gathered, an amendment to the aid bill which would withhold any aid to France as long as they continued to pay the French troops in Indochina. I explained to her as clearly as I

could the dilemma which we face in Indochina wherein the withdrawal of the French Army would inevitably mean the passage of complete control of the country to Ho Chi-minh. I went on to point out that it is true there is resentment against the French and that there are many fence sitters who as long as the French remain in Indochina withhold their support of Bao Dai. I granted that Bao Dai (whom the Congresswoman characterized as just as much a Communist as Ho Chi-minh) was probably not as pure as driven snow but that there was no other anti-Communist native leader who combined his courage, political sense and strain of imperial legitimacy. I said that we must continue to give military aid to the French Union forces, continue pressing the French to accelerate the turn-over of responsibility to the Viets, while pressing the Viets to act more responsibly and discharge the responsibilities already given them, and above all, press forward to the creation of an effective national Army, the equipment for which, I pointed out, we are already delivering directly to the Viets.

Among other sources of information, Mrs. Kelly has been talking to and impressed by Ngo Dinh Diem. I cannot truthfully say that I feel I converted Mrs. Kelly to this Government's policy, although I do not think she will propose any amendments or otherwise tamper with the projected military and economic aid figures for Indochina. [Here follows discussion of foreign assistance to other areas.]

751G.00/8-1851 : Telegram

The Chargé at Saigon (Gullion)¹ to the Secretary of State²

[Extracts]

TOP SECRET

SAIGON, August 18, 1951—midnight.

419. Re Legtel 352, August 9.³ Following are suggestions for forthcoming conversations with General De Lattre based on present estimate situation Indochina generally, Vietnam particularly:

A. Situation estimate

1. Political

Over-all situation shows real improvement over that De Lattre inherited when series military defeats were rapidly creating polit

¹ From August 18 to October 17, Minister Heath was absent from Saigon for consultations in Washington and brief visits in Paris and London.

² This telegram was transmitted in seven parts. The extracts appearing here are from sections one, six, and seven.

³ The reference telegram concerned an impending trip by General de Lattre de Tassigny to the United States. After some months of U.S. deliberations as to the proper timing and circumstances for a de Lattre visit, Heath had delivered a written invitation from the Joint Chiefs of Staff on July 26 (telegram 234 from Saigon, July 26, 751G.551/7-2651). In telegram 352, August 9, Heath and General Brink speculated as to the points which de Lattre might raise in Washington during the September visit and offered suggestions regarding the program of activities (751G.551/8-951).

crisis. French morale has rebounded, measure of Viets confidence has been restored, energetic projects for prosecution war have been launched. Degree improvement measured from beginning Bao Dai solution is, however, less marked. De Lattre's bold new design for action presently dominates political situation. In manner characteristic his military campaigns, he has decided that nothing is so decisive as decision; nothing succeeds like audacity. Where his predecessors have faltered or parleyed or deferred endlessly to Viets inhibitions, he forges ahead largely regardless of them, in noting sacred cows, scorning to placate or cajole fence-sitters and hold-outs. General says to Viets, "in fighting for independence, he who is not with us is against us". He has embarked on conscious plan confront divided and listless Viets with bold new move each week, orchestrating the whole toward total material and moral mobilization. He hopes shock inspire and drive Viets out of their hesitancy in spite themselves.

He leads passionately this effort with wholly sincere faith, tremendous energy and unbounded will which has galvanized French Union forces and may yet transform political picture.

But returns are not all in. Policy is at best calculated risk, and general seems not always concerned about how many eggs he breaks for his omelette. To force pace, many individual feelings are wounded, strong-arm measures are used and condoned, the Dai Viet Political Party was broken up, subsidies to Cao Dai cut, an editor clapped in concentration camp, lukewarm Viet bureaucrats forced from office.

De Lattre has also been more than vigilant check any US activity he thinks may encourage Viet skepticism or aloofness re French Union. He expects US see whole picture just as he sees it, to let him play hand, tailor and cut programs accordingly. His impatience with any "fence-sitting" among US operatives may account for much of the pin pricks and surveillance to which US reps have been subjected. These have not, in any event, been important in whole scheme, and to large extent have now been settled.

More serious questions will now have be faced since dialogue between French and Viets has turned to nature of French Union itself. Is De Lattre going interpret its organic acts broadly in accordance with evolutionary principle stipulated inferentially by US when we recognize Bao Dai and since confirmed to US by French or will there be standstill or retrograde stage? And will kind French Union set up unilaterally by French constitution, March 8 accords and Pau provide kind independence for its members we have hoped and believed, and which we think necessary in order sustain Viet will to fight?

B. Imponderables

Foregoing inventory debits and credits fails assay imponderables which have so often transformed scene in IC without warning and with little regard to logic. The imponderables constitute the spiritual order of battle of opposing forces in which the will and genius of De Lattre is arrayed against Stalinist dynamic. The critical imponderable is the extent to which De Lattre's spark can light the tardy flame of Viet's patriotism and fuel the ardor of the Fr.

*C. Suggestion for conversations with De Lattre*1. *Polit*

(a) Strategic concept.

Leg is not competent to suggest what answer US govt will give De Lattre's primary question: US action in case Chi invasion. Leg feels that answer will have be given sooner or later, especially if Korean armistice takes place. Leg's own concept (MAAG reserves opinion) has always been that some kind US armed participation will be necessary, exerted if possible through the UN. It believes that the kind of high priority and expense programs we have inaugurated IC cohere more with that concept than with one of withdrawal and nonintervention. We recognize that this assessment may require re-examination at highest US levels of the Asian "off-shore" concept or of whether in view changes in strength relationships in the area and in US and UN potential, the "off-shore" chain can not better be defended in the deltas and defiles of SEA.

(b) Fr Union.

We might reassure Gen that we recognized independence AS within framework Fr Union and we do not intend go back on that formula. We envision expenditure of some \$500 million by end next year to help make it work. (Leg believes it most important that De Lattre be given, either by dollar figures or some equally telling comparison, an idea of relative scale of US aid to Vietnam, so that he may have better understanding our intentions and our support).

(c) Future of Union.

It is timely and proper for us indicate our interest in future form and philosophy Fr Union. From time to time we have recd indications that it wld be molded as evolution required; for example, we understand that modification of plans for High Council is now under consideration. We have always hoped for liberal interpretation of basic accords moving toward membership status within Fr Union more comparable to that in Brit Commonwealth and when we recognized Vietnam we thought that such concept was necessary sustain Viets will to fight. We might indicate to Gen frankly that we are not

committed to any particular static definition of relationship between Fr Union such as that contained in Mar 8 or Pau agreements. We wld not of course say to Viets that we envision modification these accords nor any new organic act defining their status nor encourage them seek such change. Fr should be aware that we reserve our own opinion as to tempo evolution AS toward independence. We welcome statements such as those made recently by Gen reaffirming the thesis of evolution. We can agree, however, that timetable stipulations at this time may have disqualifying drawbacks.

(d) Consultation.

Occasionally we may differ with Fr or Viets policies here, or with their timing, and wld like express privately to Fr or to Viets in all loyalty our point of view. We believe our stake in success entitles us to do so. At same time our policy remains one of supplementing not supplanting the Fr and we are deeply conscious of burden they bear here as well as in def Western world. We have no desire whatsoever weaken bonds of the Fr Union which we know makes resistance to Commies possible in SEA; we merely hope see vital, viable union.

(e) Leg believes some such restatement our original thinking on IC is required if we are to avoid future misunderstanding with the Gen.

2. *Economic*

With ref econ subjs first concern is financing Viet's natl army:

(a) Anticipated total cost Viet's Natl Army will increase from 42 billion francs 1951 to over 60 billion 1952. Theoretically extra funds cld be obtained locally by taxation or by bond issue, though not unless AS and Fr willing resort to force in tax collection policy or block flow funds to Fr and apply strong pressure invest in bond issue. Extra funds theoretically cld also be obtained from Fr, but in view Fr budgetary situation this appears highly difficult. Only remaining source wld appear be assistance in some form by US. Leg recommends however that view importance speedy building up of Viets Army, desirable ensure that financial considerations do not constitute serious block even if this means that part of 1952 deficit may have to be financed directly or indirectly by US. View urgency also, Leg hopes that lack precedent will not preclude Dept consideration, shld request be presented, of direct subsidy in addition current shipment materials.

(b) Before committing itself to additional assistance US Govt shld insist as prerequisite upon Vietnam's promise present full budgetary picture and current statements of receipts and revenues thereunder. Lack this info has hindered US planning throughout 1951 both in military and econ fields.

(c) Re Fr request additional assistance, Dept may also wish raise question facilitating trade between IC and Japan. Dept well aware Fr mercantilist approach in its trading position and Leg aware shortage foreign exchange may force temporary import restrictions on non-Fr products, but within limits available exchange modest replace-

ment Jap imports for Fr shld contribute to latter's rearmament drive and shld, depending on comparative prices, help IC economy.

3. *US programs in IC*

With ref various US programs IC, Leg does not imagine there will be sufficient time discuss these in detail.

If De Lattre brings subj up or if there is evidence that his misapprehensions about the philosophy and purposes ECA operation may not have been removed, these cld be explained to him again.

I assume that during General's visit there may be an opportunity to review relationship Fr and Amer intelligence operations in IC within framework of world-wide cooperation and with ref developments at NATO or following Singapore conf. In meantime General shld have highest assurance that none these activities is or will be in any way incompatible with Fr position IC.

We might propose De Lattre series working level confs upon his return IC (such as those arranged for Jessup and Griffin mission)⁴ between heads Amer missions and their opposite numbers in Fr admin to discuss problems and difficulties encountered in our mil and econ aid programs and informational effort. Number General's anxieties can, of course, be easily cleared up in Washington such as his concern about size Amer missions, purpose US informational programs, and recognition by Leg, ECA and all other missions of the primacy of the Fr admin in defense of IC. (*End of msg*)

Sent Dept 419, rptd info Paris 171.

GULLION

⁴ Reference is to the Far Eastern trip of Philip C. Jessup, Ambassador at Large (December 1949–March 1950) and the economic survey mission to Southeast Asia headed by R. Allen Griffin (February–April 1950). For documentation on the two missions, see *Foreign Relations*, 1950, vol. VI, pp. 1 and 690 ff, respectively.

Editorial Note

On August 22, the United States issued invitations to the Governments of Viet-Nam, Laos, and Cambodia to participate in the signing of the Japanese Peace Treaty at San Francisco. For text of the communication containing the invitation, see *United States–Vietnam Relations, 1945–1967*, Book 8, page 447. For documentation on the San Francisco Conference, which convened September 4, including material on the question of the participation of the Associated States of Indochina, see pages 777 ff.

751G.00/8-2751

*The Ambassador in France (Bruce) to the Secretary of State*¹

SECRET

PARIS, August 27, 1951.

No. 543

Subject: Minister Heath's Comments on the National Intelligence Estimate regarding Probable Developments in Indochina.²

The Embassy encloses, for the Department's information, a memorandum prepared by the United States Minister to the Associated States, Mr. Donald Heath, containing his comments on the National Intelligence Estimate entitled: "Probable Developments in Indochina during the Remainder of 1951", published on August 7, 1951. This Estimate was shown to Minister Heath during his visit to Paris en route to Washington in connection with the visit to the United States of General de Lattre de Tassigny, French High Commissioner and Commander-in-Chief of the French Forces in the Far East.

DAVID BRUCE

[Enclosure]

Memorandum by the Minister at Saigon (Heath)

SECRET

[PARIS, undated.]

COMMENTS OF MINISTER DONALD R. HEATH ON NIE-35:

"PROBABLE DEVELOPMENTS IN INDOCHINA
DURING THE REMAINDER OF 1951"

I agree with the conclusions of the reference paper and particularly with the final estimate that direct Chinese Communist intervention in Indochina is unlikely to occur during the remainder of 1951. The possibility of early intervention, however, while unlikely during the next few months, should not be entirely ruled out.

Par. 5 of paper. I question the statement that French successes during the period since General de Lattre assumed command are in part due to "(c) the arrival of French reinforcements" or "(d) the inexperience at large-scale warfare of the Viet Minh guerrillas." As far as I am aware, no reinforcements of French Union forces have yet arrived from France, only replacements. Certainly this is the first time I have heard the statement that the operations undertaken by the Viet Minh guerrillas during the past ten months failed because of their inexperience in large-scale warfare. The Viet Minh attacks

¹ A copy was sent to the Legation at Saigon.² Reference is to NIE-35, August, 7, p. 469.

were shrewdly planned and energetically executed. De Lattre is of the opinion that the operation against Vinh-Yen was planned by European officers.

I believe that the estimate that 10,000 Chinese personnel have been infiltrated into the Viet Minh is somewhat excessive. The French have no exact intelligence on this point but at a French staff briefing in June the number was placed as "in excess of 5,000."

Par 6. The statement that the slowness of development of the Vietnamese Government is in part due to "(a) French reluctance to relinquish ultimate control of political and economic affairs" in Viet Nam, is not true today. Under de Lattre, intervention in internal political affairs has been limited, and the French cannot be said to be exercising ultimate control of economic affairs beyond the fact that they are heavily subsidizing the maintenance and equipment of the new Viet Nam national army, and supporting the exchange rate of the piaster.

Par. 8. Present plans call for the expansion of the Viet Nam army to 120,000 men, not to 100,000.

While in the past there have been differences of opinion between the Vietnamese Government and the French over control of the Viet Nam army, there is no such conflict at the present time.

Par. 9. The statement: "we are unable to determine whether the Viet Minh is actually losing any of its popular appeal" is surprising. I do not believe that any informed observer would deny that in the past twelve months there has been a very considerable decline in the popularity of the Viet Minh.

Par. 14. With regard to the estimate that 100,000 Chinese Communist troops could now be made available and logistically supported for invasion of Indochina, I believe that General de Lattre's estimate is that a maximum of 150,000 Chinese troops could be employed in the Tonkin area.

751G.13/8-2951 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, August 29, 1951—9 p. m.

1316. From Heath. Pres Huu and Viet and Laotian dels¹ arrived Paris this morning, and were met by Letourneau, Pres Sarraut,² numerous officials. After military honors Huu read fairly lengthy declaration reported in separate tel.

¹ Reference is to the Vietnamese and Laotian delegations en route to the San Francisco Conference.

² Albert Sarraut, President of the Council of the French Union.

I had long talk with Huu later. I expressed regret, by way of warning him against too great expectations, that presence of some 50 other del's and conflict of other conferences, such as NATO mtg at Ottawa, might interfere with discussions and contracts which in less crowded times wld have been arranged. Huu said he realized situation and Bao Dai had tried to dissuade him from heading the delegation to San Francisco for this reason. Huu had not originally thought to head del but public satisfaction over invitation to San Francisco conf and general expectation that he would attend in person had decided him to make trip. He hoped nevertheless to meet President Truman and that latter would accept Vietnam's highest decoration. He also hopes to meet Secretary Acheson and to be able to call on Governor Dewey in view of latter's visit to Vietnam.³

There were two matters which he particularly wanted to discuss in the States. He wished to broach idea of a mutual defense pact such as he understood US was concluding with Australia.⁴ He wished also to invoke future direct financial assistance for Vietnamese Army. With the proposed increases, Vietnamese Army would cost around \$150 million for maintenance in 1952 whereas total revenues of Viet State in 1952 cld not in time of countrywide war be expanded above their present level of \$100 million per annum. I remarked that I anticipated that Schuman and possibly Gen De Lattre might discuss question of future financing of Viet Army since Fr has carried greater part of Viet military expenditures to date. Pres Huu agreed.

I then took up question of his declaration in Saigon calling for Jap reparations to Vietnam, and explained to him that it was utterly impossible for Japan to pay any reparations except in limited form provided for in treaty, notably Article 16. Pres Huu said that he was quite aware that it was neither within realm of possibility nor in interests of peace to exact substantial reparations from Japs but he must be able to say to his people that there will be some reparations. He was particularly interested in Jap rails and bridges to re-establish Saigon-Hanoi railroad line.

I said that would be a matter for Viet negots with Jap but only within limits provided in Article 14. I stressed that Article 14 represented ultimate in reparations that could be provided. Huu said that he hoped to have some discussion with the Japs at San Francisco but that in any case US could depend on him not to create any difficulties at conf on score of reparations or any other point.

³ Governor Thomas E. Dewey of New York, on a tour of the Far East, had visited Indochina from July 25 to July 28, meeting with General de Lattre de Tassigny, Bao Dai, and Prime Minister Huu.

⁴ For documentation on the ANZUS Pact, see pp. 132 ff.

Viet, and Cambodian and Laotian dels will leave with Fr del from Paris at 14:30, Sept 1, arriving New York very early Sunday morning Sept 2. He had not yet been informed whether they would proceed immediately on to San Francisco. He had hoped to stop off at Washington en route, but I pointed out that there would hardly be time for such a detour. It is my understanding that del expected to arrive at San Francisco the day before the opening, on the third.

Dept pass Saigon; sent Dept 1316, rptd info Saigon 82.

BRUCE

793.5851G/8-2951

Memorandum of Conversation, by the Deputy Director of the Office of Chinese Affairs (Perkins)

CONFIDENTIAL

[WASHINGTON,] August 29, 1951.

Subject: Chinese Troops in Indochina

Participants: Dr. V. K. Wellington Koo, Chinese Ambassador
Mr. Dean Rusk, Assistant Secretary
Mr. Troy L. Perkins, CA

Ambassador Koo called at his request today and said that he had been asked to raise the question of the Chinese Nationalist troops now interned in Indochina. He said there were some 30,000 individuals involved, of whom about 20,000 were fighting men, the remainder being families or refugees. He asked that we take up the matter with General de Lattre upon his forthcoming visit to Washington. Mr. Rusk said we had been frequently in touch with the French on the matter. It was mentioned that the question of these troops would probably be one of the topics discussed with General de Lattre.

Mr. Rusk asked whether the Chinese would intend to make a public play of the movement of troops to Formosa; he pointed out in this regard the delicate French position vis-à-vis the Communists. Ambassador Koo indicated that there would be no ostentation and that an unobtrusive move would be in order.

Mr. Rusk also asked whether the Chinese Government had considered what disposition might be made of the troops in case the Far Eastern situation became more troubled generally; for example, would consideration be given to using them in Indochina. The Ambassador gave his opinion that this would be acceptable to the Chinese Government, provided the troops were not assimilated into the local forces, but were allowed to fight as separate units.

795.60/8-2951

*Memorandum of Conversation, by the Assistant Secretary of State
for Far Eastern Affairs (Rusk)*¹

[Extract]

SECRET

[WASHINGTON,] August 29, 1951.

With regard to Indochina and particularly the Singapore Conference,² the Ambassador pointed out that were Indochina to fall the results would be disastrous. Not only would our Pacific security Pacts be worthless but also Japanese industry could not survive the loss of Asiatic mainland markets and sources of raw material. This was a common problem and must be approached on that basis for in addition to the foregoing it also had direct bearing on European rearmament.

I inquired whether there was detailed minutes of the Singapore meetings in that although I did not want to raise this point I was fearful that the French might be considering the recommendations in a perhaps too sweeping form.

The Ambassador replied that he did not know the status of the minutes or recommendations in Singapore but he did know that not only did General de Lattre take them at their full value but also the Associated States of Indochina regarded them as most important. Tonkin is the key to all of Southeast Asia and were it to fall to the communists the area as a whole would be lost. The Ambassador alluded to his talks with the Secretary who had told him that we were actively studying the Singapore recommendations and inquired if I could give him any information on this point. I said that I knew the Department of Defense was pursuing this matter actively and that preparations were being made to discuss it with General de Lattre, which we were looking forward to. Unfortunately, I would be away at that time but Mr. Merchant would represent FE.

¹ Drafted by G. McMurtrie Godley of the Office of Western European Affairs.

² For documentation on the Singapore Conference, see pp. 1 ff. and p. 64.

611.51G/9-1151

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Marshall)*¹

TOP SECRET

WASHINGTON, 31 August 1951.

Subject: Washington Foreign Ministers Meetings (Tripartite Talks)
Draft Position Paper (WFMT-13a, Dated 25 August 1951) Entitled "Additional Aid to Indochina."²

The Joint Chiefs of Staff have reviewed the Department of State draft position paper, subject as above, and concur in those parts of the paper having military implications, subject to the following:

Change subparagraph C under paragraph II, *U.S. Objective*, to read (changes indicated in the usual manner):

"C. To make clear that U.S. aid to Indochina is ~~necessarily~~ *among other things* conditioned by U.S. global commitments and available resources ~~and manpower~~."

Reason: For clarity and to avoid any possible implication that United States armed forces might be committed to Indochina.

For the Joint Chiefs of Staff:
GENERAL OMAR N. BRADLEY
Chairman,
Joint Chiefs of Staff

¹In a letter of September 11 transmitting this memorandum to Secretary of State Acheson, Secretary Marshall indicated that it represented the position of the Department of Defense. (611.51G/9-1151)

²Not printed. Regarding the Washington Foreign Ministers meetings, see footnote 2, p. 491.

Editorial Note

On September 7, an Economic Assistance Agreement between the United States and Vietnam was signed at Saigon by Edmund A. Gullion, United States Chargé d'Affaires, and Nguyen Khac Ve, Acting President of the Council of Ministers. This agreement set forth understandings governing the extension of United States economic and technical assistance to Vietnam. For text, see *United States Treaties and Other International Agreements* (UST), volume 2 (part 2), page 2205 (TIAS No. 2346), or *United States-Vietnam Relations, 1945-1967*, page 449.

Similar agreements were concluded between the United States and Cambodia and between the United States and Laos. For the text of the agreement signed at Phnom Penh on September 8, by Don V. Catlett, United States Chargé d'Affaires, and Oum Chheang Sun, President of the Council of Ministers, see 2 UST (part 2) 2153 (TIAS

No. 2343). For the text of the agreement signed at Vientiane on September 9 by Paul L. Guest, United States Chargé d'Affaires, and Phagna Xieng Mao, President of the Council of Ministers a.i., see 2 UST (part 2) 2177 (TIAS No. 2344).

Documentation on the negotiations culminating in these agreements is located in Department of State files 851G.00R and 851G.00TA.

CFM Files : Lot M-88¹ : Washington Foreign Ministers Meeting, 1951

*Minutes of the Meeting Between the Secretary of State and the Foreign Minister of France (Schuman), Washington, September 11, 1951, 3:30 p. m.*²

[Extract]

SECRET

U.S.-Fr. Min-1

Members

Mr. Acheson (U.S.)
M. Schuman (Fr)

Also Present

U.S.
Mr. Harriman³
Mr. Jessup⁴
Mr. Perkins⁵
Mr. Bruce

FRANCE
M. Bonnet
M. Alphand⁶
M. de Margerie

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¹ Consolidated records of conferences of Heads of State, Council of Foreign Ministers, North Atlantic Council, and other meetings of the Secretary of State with European Foreign Ministers, 1943-1955.

² From September 10 to September 14, the Foreign Ministers of the United States, the United Kingdom, and France held discussions in Washington, devoting their attention to a wide range of European and world problems. During the same period, Secretary of State Acheson had separate conversations with Robert Schuman, Foreign Minister of France, and Herbert Morrison, British Foreign Secretary. Documentation on the Washington Foreign Ministers Meetings and related discussions is scheduled for publication in volume III.

³ W. Averell Harriman, Special Assistant to President Truman; appointed U.S. representative on the Special North Atlantic Council Committee on September 26.

⁴ Philip C. Jessup, Ambassador at Large.

⁵ George W. Perkins, Assistant Secretary of State for European Affairs.

⁶ Hervé Alphand, French Deputy to the North Atlantic Council.

Indochina

1. M. SCHUMAN said that his Government was preparing a note on Indochina dealing with the present troop strength and casualties and containing a projection of plans and problems for 1952.⁷ Without going into details it was clear that it would be impossible for France to carry out the proposed effort in Indochina and to fulfill its obligations with respect to the defense of Europe. France planned to spend a billion francs a day in Indochina alone and faced many problems in obtaining a maximum effort there as it was engaged to do. As to the financial problem the Finance Ministers would be discussing it further. In brief, after July 1, 1952, the French would be unable to continue their effort at the present rate and would face a 150 billion franc deficit for the year. This deficit incidentally was included in the French estimate on the dollar gap. It was not suggested that the U.S. finance French policy directly but it was hoped that the U.S. could assist by arms and other troop supplies, especially in establishing the national armies of the Associated States. In this connection General de Lattre hoped to expand the present strength of 25 battalions to 50 battalions.

2. MR. ACHESON said that M. Mayer, French Finance Minister, had discussed this matter with General Marshall and had made a deep impression upon him. The need for a solution was generally recognized. There was general agreement on the principle as discussed during the talks with M. Pleven, that France should continue to be primarily responsible for Indochina, that U.S. troops should not be used, and that first priority in military aid should go to Indochina. This difficult problem needed careful study, since funds directly available for Indochina under the present aid program were not sufficient. Both General Marshall and Mr. Foster of ECA were examining all possible ways to find other routes to reach the common goal. All that could be said now was that the importance of this problem was fully understood, that the question would be given urgent attention, and that the U.S. had the will—even if it were not sure as to the means—to assist in solving this problem. Perhaps General de Lattre would be able to make some helpful suggestions.

3. M. SCHUMAN said that Mr. Acheson's reply was cause for hope in the future. He recalled the first promise in May 1950 for aid to Indochina which has been effective and well used. General de Lattre would develop more information on the long-term problem and relate it to the Singapore Conference. When he presented General de Lattre to Mr. Acheson personally on September 14 it might be possible to explore this problem further.

⁷ The note under reference was presented to Acheson by Schuman on September 12. For its substance, see telegram 1606 to Paris, September 15, p. 505.

751J.00/9-1151: Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

CONFIDENTIAL

SAIGON, September 11, 1951—9 a. m.

611. Re Vientiane despatch number 4 July 7.¹ During Legation and STEM reps presence Vientiane for signing ECA bilateral, fol info Aug 26 Laotian elections to National Assembly obtained from varied sources. Elections generally orderly. Only in few relatively remote centers did few VM elements attempt scare electorate away by threats violence. Results from about 1/3rd constituencies still not known, but all members Cabinet who ran for office re-elected except for one who failed "because he was working at his job so hard, he had no time to campaign". Acting Commissioner of Republic estimated that 30 percent potential voting population unable participate because of state insecurity in certain areas and that additional 10 percent did not vote because of deliberate abstention due VM inspired fear or for other reasons.

Relatively new progressive party made heavy gains, capturing over 1/3rd seats. According Vietnam press Sept 8 out of 37 seats, 23 definite, 2 almost certain, but due rainy season indefinite or no results yet recd from northern provinces of Samneua, Luang Prabang, Houei Sa, and Phong Saly. Press agency forecast eventual results as 14 Progressives, 3 Democrats, 3 Union Nationals and 17 Independents.

New govt to be inaugurated end Oct or first Nov will probably be, as at present, coalition Union National, Democratic and Progressive parties with so-called "Independents". Le Ky Huong, Fr civil servant and counselor to Laotian Govt indicated Progressives leadership based on Laotian refugees returning from Thailand and admitted they represented potential pressure associate Laos more closely with Thailand than in past. Apparently as Party Progressives issued no clear-cut national program. Based their campaign on appeals know needs each locality in which they campaigned.

Voting booths contain photos each candidate registered in respective constituencies with number adjacent to it and pile similarly numbered ballots under each photo. Voter selects numbered ballot corresponding his candidates numbered photo and deposits ballot in urn.

Sent Dept 611, rptd info Paris 256, Hanoi unnumbered.

GULLION

¹ Not printed.

751G.551/9-1251

Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] September 12, 1951.

Subject: Visit of General de Lattre

Purpose and Importance of Visit

1. General de Lattre's visit to the United States by invitation of the United States Joint Chiefs of Staff is in recognition of his record as Commander of the 1st French Army during World War II. American troops of the 6th Corps were attached to his command during part of the campaign in Germany. General de Lattre's present assignment as High Commissioner and Commander and Chief in Indochina makes it desirable for officers of the Department to take advantage of his visit to discuss political-military matters concerning Indochina. The President receives General de Lattre on September 14th and he will be in conference with officials of the Department and ECA on September 17th. He speaks and understands English very well. Mr. Merchant and Mr. Perkins will accompany him when he calls on you at 3:00 p. m., on Friday, September 14th. (An interpreter will be present.)

Biographical Sketch

2. General de Lattre is an officer of extreme personal courage, intelligence and ability but whose strong sense of mission and dignity makes for occasional incidents of explosive friction with his associates and superiors. It is hoped that his visit to America and his opportunities to meet American officials will improve his understanding of American aims in Indochina. In many ways his success or failure in the military campaign in Indochina may mean the loss of all of Southeast Asia to the Communist world or its retention within the Western orbit.

The Present Situation in Indochina

3. Concurrent with the arrival of Chinese Communist troops on the border in December, 1949, the nature of the war in Indochina changed from one of an apparent internal movement directed against French Colonialism to one of an effort of world Communism to add Indochina and probably Southeast Asia to the list of communist satellites. The accession of Southeast Asia to the communist bloc would very greatly add to the communist strategic and tactical capability in the Far East and would extend the area of Soviet domination to within 800 miles of the Philippines. The loss of rubber, tin and petroleum of Malaya and Indonesia would constitute not only a serious blow to the Western military capabilities but would constitute new and important

sources of those same strategic matériels for the use of communist armies all over the world.

The forces now under General de Lattre's command are considered capable of containing the internal communist threat in Indochina and possibly holding north Indochina against a Chinese Communist invasion consisting of no more than 50,000 to 100,000 men. A larger invasion force would be expected to overrun at least Northern Indochina. Our military aid has been directed toward maintaining the capability of existing forces and concurrently at equipping additional forces in each of the three states.

We assess the situation as now being dependent upon four factors:

a. A continuing French effort in men and matériel. (Since 1945 the cost of the Indochina military operation has been over 28,000 killed and missing and an expenditure of over United States two billion dollars (in francs).)

b. Continued United States military assistance in order to maintain French Union Forces and to permit the establishment of State armies in Vietnam, Laos and Cambodia. These troops offer the only substantial new source of manpower to the anti-communist effort. With American equipment, French financial support and native manpower they may turn the tide of advancing communism.

c. The establishment of viable anti-communist Governments in the three States. Moving slowly to take over the responsibilities transferred to them on January 1, 1951 they lack trained administrators. Given time to establish elected parliaments they could attract the people away from the false promises of the communists. This time can only be secured behind the protection of anti-communist arms.

d. Continued delay in Chinese Communist aggression. The Viet Minh (Indochinese Communists) and the Chinese Communists combined could have overrun Indochina during 1950. Since then the anti-communist forces have had time to consolidate themselves, and under General de Lattre's command, are growing stronger.

4. General de Lattre is scheduled to have meetings on September 17th with Messrs. Merchant and Bonbright¹ and members of their staffs to discuss Indochina. He may, however, bring up with you the question of increased United States military assistance to Indochina. If he does, it is recommended that General de Lattre be invited to describe the proposition to the Department of Defense. It should be pointed out to him, however, that the fiscal 1952 Military Aid Program has been planned in an amount for Indochina which could not be increased without supplemental legislation.

If General de Lattre again raises the question of the United States supplying money for the payment of troops in Indochina, it is recommended that you state that this matter can only be considered when

¹ James C. H. Bonbright, Deputy Assistant Secretary of State for European Affairs.

the entire French budgetary situation has been studied as a result of the talks previously held with Mr. René Mayer.²

5. The program for the visit is enclosed as Attachment A.³

² French Minister of Finance.

³ Not printed.

751G.001/9-1251 : Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

CONFIDENTIAL

SAIGON, September 12, 1951—7 p. m.

617. Leg desires invite attn of Dept to unusual frequency and violence of present Viet Minh radio attacks against US. Favorite themes are US desire dominate world, seize bases from which can attack "democracies", lack of good faith in Kaesong negotiations, San Francisco treaty is pact for rearmament of Japan, and, on local plane, US has almost taken over former colonial power from France in Vietnam, country which it needs in order to launch aggression against China.

While much of this is perhaps background for San Francisco conference and visit De Lattre to US, Leg believes trend shld be watched closely during coming months.

Sent Dept 617, rptd info Paris 258, Hanoi unnn.

GULLION

Lot 534D444 : Secretary's Memoranda ¹

Memorandum by the Under Secretary of State (Webb) to the President ²

[WASHINGTON,] September 13, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Visit by General de Lattre

You have agreed to receive General de Lattre at 12 noon on Friday, September 14th. He will be accompanied by Mr. Donald R. Heath, American Minister to Vietnam, Laos and Cambodia, and by Ambassador Bonnet of France. General de Lattre is Commander in Chief of the French Armies in the Far East and concurrently High Commissioner of Indochina. He is visiting America at the invitation of

¹ Collections of the Secretary of State's memoranda, memoranda of conversation, memoranda for the President, and memoranda of conversation with the President, 1947-1953, retired by the Executive Secretariat of the Department of State.

² A handwritten notation on the source text indicates that this memorandum was taken to the White House by Under Secretary Webb on September 13.

the Joint Chiefs of Staff and will spend a few days in Washington and the balance of his ten day visit touring Army, Navy and Air installations. He returns to Indochina via France, on September 25th. His wife is accompanying him. He speaks and understands English very well.

During his visit he will confer with officials of the Armed forces and the State Department.

During World War I he fought as a Cavalry and then an Infantry Captain in France. He has had a distinguished career and has held the highest posts in the French Army. Aided by timely deliveries of American arms, de Lattre on his arrival in Indochina at the end of 1950, transformed an army beset with defeatism into a force which has since won every major engagement against communist forces. His present assignment is of the greatest importance, since he is responsible for the defense of Indochina against the communist forces. These forces include local Indochinese who have been subverted to follow communist leaders but the more serious threat comes from the ability of communist China to invade Indochina and Southeast Asia. Such an invasion could take the form of Chinese communist "volunteers" as in Korea, or could be an outright aggression. The United States has recognized the threat posed by these possibilities and has extended military aid to Indochina on a priority second only to Korea. It is an agreed military estimate that if Indochina falls, very likely all of Southeast Asia may come under communist domination. The Philippines are less than 800 miles from Indochina, and Malaya and Indonesia furnish the majority of the Free World's rubber and tin. While the loss of these materials would seriously handicap our own defense effort, they would, if available to the communist armies of the world, enormously increase their capabilities. We are therefore most anxious that General de Lattre's continuing campaign to hold Indochina be successful.

He can be expected, during his visit, to request further United States military aid, either in the form of monetary grants or more arms. If he brings up this subject during his visit with you, it is recommended that you reply along the following lines:

The United States has already undertaken an enormous program of direct military aid to Indochina, and through aid to France, has contributed indirectly as well. Within the limits of our ability, we will continue our aid to Indochina. Specific details must necessarily be based on plans which the United States Department of Defense will presumably receive from General de Lattre.

JAMES E. WEBB

Lot 53D444 : Secretary's Memoranda

Memorandum by the Under Secretary of State (Webb) to the President

[WASHINGTON,] September 13, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Visit of Prime Minister Huu of Vietnam and Crown Prince Savang of Laos ¹

You have agreed to receive the representatives of Vietnam and Laos at 11:30 a. m., on Thursday, September 13th. They are addressed conversationally as Mr. Huu and Prince Savang. They have just returned from San Francisco where they signed the Japanese Peace Treaty as heads of the delegations from their respective countries. You met them very briefly in San Francisco when you received the heads of the delegations. They will each spend only a few days in America. Prince Savang has been here once before but this is Mr. Huu's first visit. Mr. Donald R. Heath, the American Minister to both Vietnam and Laos, will accompany them, and will translate, since neither visitor speaks adequate English.

Since the visit is purely a courtesy call it is suggested that you might wish to address them along the following lines.

I am happy to see both of you again here in Washington. We are following with sympathy and admiration the developments of the bitter war which your countries are waging against the forces of international communism. We are doing what we can here to give you economic and military assistance. When General de Lattre comes here this week we will study in detail the question of aid for the Armies of Vietnam and Laos as well as the French Union Army. I want to take this occasion also to thank you for your contribution to the Japanese Peace Treaty and to compliment you on the fine presentations that each of you made at the San Francisco Conference. Your part in that conference demonstrated to the world that Vietnam and Laos are independent, effective and helpful members of the world community of free nations.

JAMES E. WEBB

¹ No record of this meeting has been found in Department of State files.

751G.00/9-1451

Memorandum of Conversation, by the Minister at Saigon (Heath)

SECRET

[WASHINGTON,] September 14, 1951.

Subject: General Jean de Lattre de Tassigny's visit with President Truman

Participants: President Truman
General de Lattre
Ambassador Bonnet
Minister Heath

With Ambassador Bonnet I accompanied General de Lattre on his call on the President on September 14th. The President greeted the General in a very friendly fashion, complimented him on his performance in Indochina and assured him of the United States desire to continue to be of assistance to the French effort there. He reminded him that we had to reckon with Congress which had not yet voted the 1952 Mutual Security Act.

General de Lattre then took over and his remarks closely paralleled those he made to the Secretary later that afternoon (see Memorandum of Conversation with the Secretary, 9/14/51).¹

De Lattre brought up the ever present possibility of a direct Chinese invasion and the President said something to the effect that if that happened we would have to see what could be done.

When de Lattre mentioned his increasing need for artillery due to the fact the Viet Minh now attack at night when French aviation cannot be employed against them, I reminded the General that the President was himself an artilleryman. The President then reminisced pleasantly about his experiences in World War I. He said that he had learned artillery with French 75's which he described as the best guns in World War I. The President said that he would like to retrace his steps in France and visit the artillery training center he had attended. He was interested to learn that that school is now a continuation school for Saint Cyr, the French West Point.

¹ *Post*, p. 502.

C.F.M. Files : Lot M-88 : Washington Foreign Ministers Meeting, 1951

Minutes of the Seventh Meeting of the Foreign Ministers of the United States, the United Kingdom, and France, Washington, September 14, 1951, 4 p. m.

[Extract]

SECRET

Tripartite Min-7

Members

Mr. Acheson (U.S.)
Mr. Morrison (U.K.)
M. Schuman (Fr.)

Also Present

U.S.	U.K.	FRANCE
Mr. Jessup	Sir Oliver Franks ¹	M. Baeyens ³
Mr. Merchant	Sir Pierson Dixon ²	M. Alphand

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Indochina

5. M. SCHUMAN said that he desired to report briefly on the situation in Indochina. The military situation was much improved after many setbacks last year. General de Lattre had reestablished the position from a political and psychological point of view. The latter was particularly important from the standpoint of the Indochinese. France was taking steps to implement its agreement with the Associated States and was assisting in the development of the armies of the States. Mobilization had been decided upon and would occur after October 1. The main responsibility of the forces of the Associated States would be the defense of the interior. The French Army would be responsible for the area in the north. The situation in the northern area worried them. They did not know what the nature of Chinese intervention would be. If an armistice was reached in Korea, this would increase the danger, because Chinese "volunteers" would be freed for action against Indochina. If this occurred it would create a new situation affecting the interests of all three powers in the area. The three countries should keep in close contact and should carry out consultations similar to those held at the Singapore Conference. The French Govern-

¹ British Ambassador in the United States.

² British Deputy Under Secretary of State for Foreign Affairs.

³ Jacques Baeyens, Director of the Office of Far Eastern Affairs, French Ministry of Foreign Affairs.

ment strongly believed such consultations should be continued and before a crisis arrived. He said that, finally, he would like to ask for the conclusions of the US and UK regarding the Singapore Conference. He did not expect an immediate answer. He said the Conference had made recommendations of a military nature which France had accepted, but he did not know if the US and UK had.

6. MR. MORRISON expressed appreciation for M. Schuman's outline and said he was glad to hear that the military situation was improved. He desired to express on behalf of his people their admiration for the French effort in Indochina and particularly for the achievements of General de Lattre. He had noted M. Schuman's wish for further tripartite military talks and would consult his government. The conclusions of the Singapore Conference were under consideration at the present time by the British Chiefs as were some of the other points raised by M. Schuman. He desired to say he was wholeheartedly behind the general approach but could not be more specific at this juncture.

7. MR. ACHESON said that the United States regarded as of vital importance the operations in Indochina. It was of great importance that the area be held. While the Ministers were in Ottawa,⁴ United States Government representatives, including the Secretary of Defense, would be working with de Lattre and considering problems of the type mentioned by M. Schuman. The Department of Defense had been discussing a number of problems with French military representatives in Washington and had raised some technical questions, the answers to which were now being sought in Paris. The economic problems of Indochina would also be discussed while General de Lattre was in this country. M. Schuman said he wanted to thank his colleagues for their consideration and understanding of the Indochina problem and for their kind words regarding General de Lattre. He very much appreciated their recognition of Indochina as a part of the common cause.

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⁴ The Council of the North Atlantic Treaty Organization met at Ottawa from September 16 to September 20. Documentation on the Ottawa conference is scheduled for publication in volume III.

751G.00/9-1451

*Memorandum of Conversation, by Mr. William M. Gibson of the
Office of Philippine and Southeast Asian Affairs*

SECRET

[WASHINGTON,] September 14, 1951.

Subject: Interview with General de Lattre de Tassigny regarding
Indochina

Participants: The Secretary

Mr. Robert Schuman, French Foreign Minister

General de Lattre de Tassigny, French High Com-
missioner in Indochina, Commander of French
Forces in the Far East

Assistant Secretary Perkins

Acting Assistant Secretary Merchant

Mr. Gibson, PSA

General de Lattre opened the conversation with the remark that he was particularly pleased to see the Secretary today for he had not expected to see him until after the Ottawa talks. That he should meet him on his first day in the United States and on the same day he had met the President was especially gratifying. He spoke of the cordial and "encouraging" interview he had had at noon with the President. He believed that the President had a thorough understanding of the Indochina problem and had been very reassured by his statement to the effect that "*we would not let Indochina fall into enemy hands*".

After the formalities had been completed, Mr. Schuman made a particular point of stating to the Secretary that he was glad to be able to present General de Lattre himself and to state that General de Lattre *would be speaking on behalf of the French Government during his visit to the United States*. The Secretary acknowledged this fact and remarked that General Marshall, Mr. Lovett ¹ and our own officials in the Department were all looking forward to discussing the details of the Indochina problem with the General.

During the main body of the conversation General de Lattre reviewed the Indochina scene in a general sense. There was little stated that added to what Saigon and Paris had already reported.

The General spoke of the improvement in the overall French military potential since he had taken command and MDAP goods began to arrive. He spoke of the victories in Tonkin of last season as having marked the turning of the tide. He stated that if it were made possible

¹ Robert A. Lovett, Deputy Secretary of Defense; Secretary of Defense from September 17.

to carry out his present military plans and there were no Chinese military intervention the Viet Minh could be eliminated as a fighting force in a period of between one and two years. The General did not seek to minimize the danger of Chinese intervention, stating that there were 120,000 men or an estimated six to eight well-trained and armed Chinese divisions at the frontier who could intervene at any time. Their intervention would be disastrous. The General did not think that any Chinese invasion would be immediately fatal for the signs of a Chinese aggression would be evident in advance; the French could presumably fight a delaying action, if nothing else.

The General spoke in some detail on the subject of the national armies. In his estimation the young Vietnamese make excellent soldiers. He spoke of the two Vietnamese parachutist battalions now in service which have become able and effective units after only a few weeks of training. He observed that it was essential that the loyalist side train the youth for active service for if we did not Ho Chi Minh would (and does). The General termed the youth of Vietnam as being as numerous as the rice shoots—as ready for plucking and as useful. He described the Vietnamese as being very flexible politically. The same man who has been made into a Grade A parachutist in the governmental forces would make a fantatical communist guerrilla if Ho Chi Minh had reached him first. He spoke of the problem of filling the officer cadres in the national army and remarked that Bao Dai and President Huu had given him considerable support in this regard but the problem was very far from being solved. He hoped more progress would be made after his return from the United States with news that the Americans had promised to support the Franco-Vietnamese program on the basis that in Vietnam, as in the rest of the Orient, nothing succeeds like success.

The National Army of Vietnam, as contemplated, will have 120,000 men and 4,000 officers. The officers must *all* be Vietnamese; a single French officer would handicap the effectiveness of any unit.

The General referred to Bao Dai as the ablest statesman in Vietnam. At this comment Mr. Schuman interjected that he was perhaps the only one. De Lattre spoke with enthusiasm of the Emperor and his authority. He recounted several recent instances when Bao Dai showed the proper cooperative spirit and, in some cases, even initiative.

The Secretary stated that the nature of the war in Indochina was not entirely clear to him. Did, for instance, the General have to face a continuous front or was it a broken one. The General replied that although in the past there had been no front in the Western sense, the recent Viet Minh offensives in Tonkin had been done on a frontal

basis with a set line of combat. The front is never stable, however, for the moment a line is established the enemy soldiers one has been facing slip through one's feet and a few hours later on are at one's back. The General stated that the only method to combat the Viet Minh was by using their own tactics of surprise enveloping movements, the success of which depended entirely on the ability of keeping the plan of attack secret in advance. Mr. Schuman interjected at this point that one of the functions the French hoped to improve with the formation of the national armies was intelligence. De Lattre agreed with the comment that intelligence was only effective by using natives to deal with natives.

At this point General de Lattre referred again to his hope that he would return to Vietnam with news of a successful American trip. The Secretary stated, referring to the Department's responsibilities in the matter, "we shall support you very strongly".

De Lattre referred to the prospect of peace in Korea and his hope that, if successful, it would result in the diversion of military matériel from Korea to Indochina. The Secretary answered that he didn't think the prospects of a cease fire in Korea were particularly bright at this moment. The General expressed his theory that the Korean and Indochina wars were "one war" and that in order to be effective there must be "one peace".

Toward the end, the General referred with considerable emphasis to the danger of allowing the Vietnamese to slip behind the Asiatic iron curtain. He stated that there was no country so potentially useful to the communists as the Associated States. Their youth, he said, was very clever and learned very quickly but were very unstable. The General felt that once a Vietnamese became a communist he was a communist forever and an exceedingly fanatical one. If the French were not in Vietnam, the communists would most certainly be.

Finally, Mr. Schuman spoke of the excellent impression the Associated States delegations had made at San Francisco. The Secretary agreed with this observation.

The interview closed with the General's comment that "we must save these countries from the fate of communism"; the Secretary reaffirmed this conviction and the Department's intention to cooperate fully with the General in the course of his presentation to the United States authorities.

751G.5/9-1551 : Telegram

The Acting Secretary of State to the Embassy in France

TOP SECRET

WASHINGTON, September 15, 1951—4 p. m.

1606. Fr note mentioned Deptel 1531 to Paris, 368 to Saigon, Sept 12¹ states de Lattre lacks means obtain favorable decision Indochina since not only impossible increase present Fr effort but also finances and personnel concerned make impossible maintain effort beyond a few months. Present strength regular Fr grd forces Indochina listed at 169,643, regular armies Assoc States at 63,385, total forces all categories at 340,763. One-fifth of officers and one-half of NCO's of reg Fr Army now serving IC. Expenses borne by Fr budget for Indochina last seven years also listed; 1951 as 238 billion francs and estimated 1952 as 344 billion, plus 1951 aid by Fr to Assoc States for their milit expenditures as 42 billion and 1952 estimate of 79 billion or 86 billion depending whether US aid given natl armies. Total Fr investment Indochina listed at bit more than 1,000 billion francs.

Re future effort, note says de Lattre will present US his plans for intensifying milit operations. Rapid increase size natl armies essential to pacification Indochina and to return Fr troops for defense Eur. By end 1951 natl armies shld comprise four divisions but will not due difficulties in forming Viet cadres and because rate arrival US equipment too slow. Only one-fourth tonnage 1950-51 US aid delivered to date. At this rate number two priority accorded to deliveries will not permit delivery before end of 1953 of supplies imperatively needed to resume active operations. Note continues that Fr cannot fulfill obligations Eur if must prolong excessive financial burden Indochina and suggests US furnish arms, pol, supplies Fr forces and a special contribution for Viet units in amount of 150 billion francs in 1952.

Sent to AmEmbassy Paris 1606, AmLegation Saigon 383.

WEBB

¹ Neither the French note of September 11 (presented by Schuman to Acheson on September 12) nor telegram 1531 to Paris, September 12, is printed.

751G.00/9-1751

*Minutes of the First Meeting With General de Lattre de Tassigny, at
the Department of State, September 17, 1951, 10:30 a. m.*

TOP SECRET

de Lattre Talks Min-1

U.S. PARTICIPANTS

Mr. Merchant, FE, Chairman
Mr. Bonbright, EUR
Minister Heath
Mr. Lacy, PSA
Mr. Bingham, S/ISA
General Roberts, White House ¹
Mr. Young, Defense
Mr. Martin, RA ²
Mr. Gibson, PSA
Mr. Godley, WE
Mr. Hoey, PSA

FRENCH PARTICIPANTS

General de Lattre de Tassigny
Brig. General Cogny ³
General Allard ⁴
M. Dannaud
Ambassador Bonnet
M. Daridan
M. du Montcol
M. Valentin ⁵
M. Janot ⁶
M. Fequant ⁷

Departmental Discussions With General de Lattre de Tassigny

1. MR. MERCHANT said that there should be no doubt that the U.S. wholeheartedly recognized the vital importance of Indochina and strongly supported the efforts of the French and the Associated States in that area. U.S. policy remained what it was in May, 1950, when M. Schuman and Mr. Acheson first agreed to a military assistance program for Indochina and for a high priority on the matériel sent there. He felt that the discussion should emphasize several points: (1) there was no desire on the part of the U.S. to supplant the French in Indochina, either politically, economically or culturally, or to loosen the ties of the French Union; (2) the U.S. would be interested to receive an explanation of the relationship between the French Union and the Free States and of the degree of freedom that the three Associated States exercise within the French Union. Since it was the desire of the U.S. that the Associated States should gain the active support of the people, the U.S. would like to know the present views of the French Government regarding the French Union concept; (3) the U.S. would also like an assessment of the present position of the National Armies, and (4) it is necessary to perfect existing liaison

¹ Brig. Gen. Frank N. Roberts, Military Adviser to the Special Assistant to the President.

² Edwin M. Martin, Director of the Office of European Regional Affairs.

³ Chief of Military Cabinet for General de Lattre de Tassigny.

⁴ Chief of Staff to General de Lattre de Tassigny.

⁵ François Valentin, Political Adviser from the Paris office of General de Lattre de Tassigny.

⁶ Raymond Janot, Financial and Economic Adviser to General de Lattre de Tassigny.

⁷ Albert Fequant, Second Secretary, French Embassy in the United States.

arrangements because it is in the direct interest of both countries to keep General de Lattre and his staff informed of any mutual problems which may arise.⁸

Priorities for Indochina

2. GENERAL DE LATTRE said that he was aware that the question of Franco-US relations in Indochina had been fully discussed and, since there was mutual agreement that colonialism was a dead issue, there was no reason to discuss this question further. He would prefer that the U.S. take up the other issues on an individual basis. The real problem, the GENERAL continued, was that of guaranteeing priorities on delivery of military equipment to Indochina. Indochina followed in the wake of Korea—Korea received practically everything. Indochina what was left. Both President and Secretary Acheson had re-affirmed the priority now being granted Indochina but this priority was effective only after Korean needs had been met. GENERAL DE LATTRE pointed out that when General Allard had discussed this problem at the Pentagon on Saturday, he had been informed that many items scheduled for delivery in June, 1951 would not be delivered until June, 1952, and, in some cases, not until 1953 or 1954. The purpose of the General de Lattre trip to the U.S. was to discuss the technical aspects of the Indochinese situation with the Pentagon and the other aspects with the State Department and the American people. The main point was that the priorities must be effective in actuality rather than simply in terms of diplomatic language. Deliveries were not coming through on time, and unless this issue were resolved, there was no point in further discussion.

3. GENERAL DE LATTRE stressed the need for matériel and equipment, planes and ammunition, stating that the U.S. was urging him to make a greater fight to help Vietnam but that he could not give them necessary equipment, and without equipment there could be no war. The Vietnam troops should have 51 battalions, instead there are only 37. Indochina's needs were small compared with the needs of war in Korea, yet Indochina was the only area outside of Korea presently at war and every delay in delivery increased the danger. As an example of this delay in the delivery of infantry supplies, the GENERAL cited the following statistics, as of August 1951: *jeeps*—promised 1363, received 0; *large trucks* (GMC)—promised 2673, received 143; *small*

⁸ A corrigendum dated September 27 which accompanied the source text indicated that the following subparagraph 5 should be added:

"Although the United States recognized the need for perfecting existing liaison arrangements, we attached particular importance to the fact that our relations, with regard to our economic aid programs, be held directly with the Governments of the Associated States. It was our intention to keep the French authorities informed through liaison arrangements which had already been established."

trucks (Dodge)—promised 1156, received 62; *radio sets*—promised 832, received 20; *50 cal. machine guns*—promised 512, received 117.

4. MR. MERCHANT replied that the details of delivery were under the jurisdiction of the military, pointing out that the U.S. faced the basic problem of the demand on its resources for its own troops, and that the Joint Chiefs of Staff must make this choice. He thought it incorrect to imply that the General had received nothing because, in fact he had received substantial aid.

5. In the opinion of GENERAL DE LATTRE, it was the responsibility of the State Department to inform the Pentagon that if Indochina were lost, the results would be catastrophic. If settlement came in Korea, he felt that Mao, in order to save face, would immediately release his troops in an effort to gain a quick victory in the South, and at that moment all Chinese troops would fall on his shoulders. If he had the Chinese Communists on his shoulders in two weeks, 6 weeks or 6 months, he would be unable to hold the front. The question could be answered Yes or No; did the U.S. admit that Indochina was the keystone in Southeast Asia? If the answer was No, nothing more could be accomplished; if Yes, the U.S. must provide the weapons to make continued resistance possible.

6. MR. MERCHANT emphasized that the State Department and the military services realized that Indochina was the keystone of Southeast Asia and were most anxious to increase deliveries wherever possible, but the State Department members were not in a position to decide the allocation of material between Korea and Indochina, since such decisions rested with the highest military authorities. MR. YOUNG assured the General that his 10,000-mile visit to Washington could only have a most helpful and positive effect, not only on those around the table, but also on other individuals in the Capital. Everyone was in agreement on the broad question, but the immediate task was to find ways to attack the various parts of that question.

7. GENERAL DE LATTRE expressed great admiration for the military ability of General Ridgway,⁹ both as a tactician and strategist, and admitted that if he were in General Ridgway's position he would do just what General Ridgway did, *viz.*, if he needed one hundred military items, he would ask for one thousand. But, he pointed out that on a comparable basis he himself needed only 20 and was not receiving an adequate supply. He thought that he should be given a small share of the matériel furnished to General Ridgway, either on the same priority scale, or on whatever basis was necessary to assure simultaneous delivery with Korean equipment. It was his responsi-

⁹ Gen. Matthew B. Ridgway, Supreme Commander for the Allied Powers in Japan; Commander in Chief, Far East; Commander in Chief, United Nations Command.

bility to stay on the job in Indochina because it was his duty, but it must be remembered that it was the American battlefield as well as the French. MR. MERCHANT reiterated that the State Department understood the importance of the struggle in Indochina and sympathized with the General's needs, but that the delivery problems were solely matters for military decision.

Chinese Communist Support

8. MR. YOUNG asked the General to estimate how much time would be required to move the Chinese forces from the North to Indochina if a Korean settlement took place, or even if no settlement occurred, if the Chinese decided to launch a full-scale attack in Indochina. GENERAL DE LATTRE replied that there were three aspects to the question of Chinese assistance in Indochina:

(1) *Increased troop strength*—at present, the Chinese were in the process of helping to form five, and perhaps six, divisions within the Viet Minh.

(2) *Advisers and training*—many advisers were being supplied to provide technical and strategic advice for the Viet Minh forces, and a large number of young officers were being trained in Chinese training schools, the number being estimated at between two and four thousand. This influx of Chinese trainees was now on the increase, having in no way been reduced by the Korean war.

(3) *Volunteer troops*—in South China there were between 80,000 and 150,000 well-trained, well-armed troops who, within two to three weeks could invade Indochina by way of the new roads which were being built by the Chinese.

9. If six to twelve Chinese divisions could be diverted from South China to arrive in Indochina in two to three weeks, the GENERAL warned, French forces would have absolutely no protection against such an assault; on the other hand, it would require from four to six weeks to transfer troops from the North because of the logistic problems involved. After the French victories in Indochina in January, he had undertaken to provide better means of protection against future Chinese attacks by planning the construction of 1,240 bunkers of the Siegfried Line-type, able to withstand 155 mm. shells; of this number, approximately 700 had been completed and armored. MR. MERCHANT asked whether, when the projected fortresses were completed and the necessary materials delivered, the French forces could hold out against the volunteers. GENERAL DE LATTRE replied that if the promised material was forthcoming and the planned Vietnam forces were fully manned, he could probably hold out for a few weeks.

Singapore Conference

10. GENERAL DE LATTRE recalled that at the Singapore Conference in May, 1950 [1951], the chiefs of the three allied delegations were in full agreement on the following essential points:

(1) that Tonkin was the keystone to the security of Southeast Asia, and that the forces of the French Union controlled the situation in Indochina;

(2) that the invasion of Indochina by the Chinese Communists could not be halted unless inter-allied assistance and cooperation were given to the forces of the French Union, particularly for the defense of Tonkin;

(3) that it was necessary to organize improved liaison techniques in order to provide more adequate logistic support to the French forces through the allocation of available inter-allied resources in Southeast Asia. Moreover, immediate steps should be taken to extend existing logistic support in order to be prepared in case of a Chinese invasion.

Nature of Enemy Forces

11. GENERAL DE LATTRE reported that there are approximately the same number of troops on both sides—about 350,000 Viet Minh forces against 360,000 in the French Union. Although numerically the troops were equal and although the French Union forces possessed greater fire-power, the Viet Minh possessed several important advantages: Their regular army was composed of light infantry troops, extremely mobile, who were able to disperse themselves at the first sign of danger, thus making it extremely difficult to engage them in open combat. Also, the enemy was not burdened by many stationary troops, while it was necessary that his own forces include a considerable number of such immobile troops in order to guard bridges, railroads, factories, etc. Finally, the Viet Minh did not require a large number of rearguard troops since their real reserves were retained in Communist China.

French Union

12. In response to a question from Mr. Merchant regarding the nature of the French Union, GENERAL DE LATTRE said that every type of integration, as every type of alliance, presupposes mutual accommodation and common agreement on basic principles. This theory underlay the U.S. Federal Government as well as the British Commonwealth and was also the driving force behind the present efforts at European salvation. The time for spheres of influence was passed, he commented, and despite the fears of many Americans that the French Union would limit the independence of the Associated States, it was actually attempting to provide member countries an opportunity to develop fully through mutual assistance. The contractual relationship between the French Union and the Associated States had primarily favored the latter, since France was carrying most of the burden in an effort to permit the Associated States to keep their independence. France has not only given independence—she has guaranteed it, thus assuming definite obligations. It was difficult for the French people to realize that, after granting in-

dependence, they still had to bear obligations, but it was the duty of French leaders to emphasize the nature of the obligations which they had been called upon to bear. Perhaps never in French history had she made such a generous offer, since today only between one and two billion dollars were invested in French Indochina, yet she was expending one billion dollars annually for war. Furthermore, French losses amounted to 98,000, of whom 30,000 had been killed. It had been a hard war but the Government had the spirit and the duty to make the people understand that it was their responsibility. There was no doubt that the French Government was in full support of the war, realizing that it was not a conflict for material gain but rather a fight against communist aggression. He agreed, in answer to a question from Mr. Merchant, that greater stress should be laid upon the question of psychological warfare in order to drive home to world opinion, to the French people, and to those within the Associated States, the purposes for which the war was being fought. The French Union, he concluded, was a partnership that could be compared to a fire brigade, with one member always ready to put out the fire, yet at the same time obliged to pay the fire insurance.

Vietnam Army

13. GENERAL DE LATTRE estimated that there was a grand total of 240,000 men in the Vietnam forces, composed of 120,000 in the National army and 120,000 in the French Union army. Of these there were 60,000 men in the regular Vietnam National army in which there was no French representation. Continued efforts were being made to remove French troops from other Vietnam units because, from the morale viewpoint, the Vietnam troops wished to be lead by native officers.

751G.00/9-1751

*Minutes of the Second Meeting With General de Lattre de Tassigny,
at the Department of State, September 17, 1951, 3:30 p. m.¹*

TOP SECRET

de Lattre Talks Min-2

Vietnam Army (Cont'd)

GENERAL DE LATTRE opened the afternoon meeting by continuing his description of the present status of the Vietnam army. He reported

¹ All participants in the morning meeting attended the afternoon session. In addition, the following officials were present: Pierre Millet, Counselor, French Embassy in the United States; R. Allen Griffin, Director of the Far East Program Division, Economic Cooperation Administration; and David Williamson, Chief-designate of the ECA Mission at Saigon. Williamson had been assigned to replace Robert Blum on August 31 and actually assumed control on October 24. Blum returned to Washington to become Acting Director of the Far East Program Division.

that Bao Dai agreed with him completely concerning the need to redouble the efforts to build a National Vietnam army. A figure of 60,000 men had been set, these to be called up in groups of 15,000, with the expectation that the first group would be deployed in Vietnam by October 15, 1951. But soldiers were not enough, the GENERAL said; equipment and officers were vitally needed. Armament was primarily an American problem. France had the courage, the men, and the will, but if she did not have the means, nothing could be accomplished. Vietnam needed 2,000 officers for 40,000 men, yet at present not even 500 "real" officers were available; 300 officers were now in school but 1,000 were required by the end of 1952.

His own relations with Bao Dai were excellent, the GENERAL asserted, and the Vietnam leader was making a stronger effort to mobilize his country behind the joint cause. On the contrary, he had found it impossible to work with Giao Governor of Central Vietnam who had been proposed as Chief of Staff of the Vietnam army. He had impressed upon Bao Dai the fact that the flower of French youth were on the Vietnam side, dying for their cause, protecting their national interests. This *rapprochement* with Bao Dai had been a gradual process since mutual trust between the two men had developed only after General had explained to Bao Dai that he understood his political problems and future aspirations. GENERAL DE LATTRE had told Bao Dai that he (Bao Dai) must assume the leadership of his own army since in a country as divided as Indochina, the army was the best means of unification. The army, therefore, must be placed under the control of the Chief of State, and Bao Dai was still the best political figure in Vietnam, despite his predilection for hunting and fishing. General de Lattre would continue to impress upon Bao Dai the importance of his becoming the true leader of the Army, and there appeared to be no difficulty on this point at the moment.

GENERAL DE LATTRE explained that efforts were being made to prepare and equip from four to eight divisions for the Vietnam National army by the end of 1952, such divisions to be composed entirely of Vietnamese. He noted that the "Yellow Paper" was incorrect in stating that there were Frenchmen in the National army's infantry units, although it was true that French officers were being utilized in the National army's staff corps since the Vietnamese did not object to non-nationals serving in a staff capacity. Upon his return to Vietnam, General de Lattre expected to have from three to four top-rate, extremely mobile National divisions fighting on the front in exactly the same status as the European army units. Bao Dai, upon the advice of the General, would be asked to promote outstanding Vietnamese leaders

to the rank of General in the National army, even though they might be only 25 years of age. But the main problem was still the lack of equipment.

MR. MERCHANT said that the Department of State would re-emphasize to the Defense Department the political and strategic problems faced by Indochina and would make every effort to insure that the question of equipment would receive proper attention at the Pentagon. It was the will of the Department of State, he said, to speed the delivery of military equipment to Indochina, and the urgency of the situation was well understood by Mr. Young and Mr. Bingham, both of whom were most anxious to talk with the General's staff about the specific items needed. MR. MERCHANT inquired whether the General could estimate how long a period would elapse before the first new division of the National army would reach the front, thus permitting French units to be released for European duty. GENERAL DE LATTRE answered that three units of Vietnamese troops should reach the Tonkin front next month.

ECA Assistance

MR. MERCHANT asked whether the General wished to comment on the US economic aid program in Indochina, adding that he should realize that the U.S. felt that it was to the common interest of both countries to give such aid directly to the governments of the three Associated States and to keep local French leaders informed of current economic arrangements. MR. MERCHANT understood, however, that the General felt that economic aid could be used more directly for military purposes. GENERAL DE LATTRE replied that when he had first arrived in Indochina in December, 1950, he had felt that the aid program was not working out on a satisfactory basis. According to the General, the problem was caused by the fact that a number of young men with a "missionary zeal" were dispensing economic aid with the result that there was a feeling on the part of some that they were using this aid to extend American influence. The results could only be bad, the GENERAL, explained, if somebody was attempting to "put rocks" into the machinery of the Vietnam-Franco relationships and into the machinery of Franco-American friendship, particularly when the French Commonwealth was involved. He had taken up this question with Minister Heath who had informed him that since such projects were not under State Department jurisdiction, it would be advisable that the General explain his difficulties to Mr. Blum. Discussion had taken place with Mr. Blum early in August at which time the General explained that, while direct aid might rightly be

sent directly to the Associated States, such economic assistance should remain within the framework of the concept of the French Union. He had also explained to Mr. Blum at that time that if economic aid were used to extend American influence, great harm would result. However, these discussions had proved most successful and a basis of agreement had been reached regarding the relationship between the economic aid program and the French Union. He had been informed that Mr. Blum was no longer in Indochina but hoped that his relationship with Mr. Blum's successor would be equally harmonious. MINISTER HEATH commented that he thought the past misunderstanding had been cleared up. MR. GRIFFIN concurred, saying that he did not feel that future misunderstandings would arise because liaison channels between ECA and the General's staff had improved and a continued exchange of information through informal talks had been planned. By a more acute examination of the places in which economic aid would have the most advantageous military results it would be possible to build greater faith in the program. MR. GRIFFIN added that the major purpose of the U.S. program was to make the people of Indochina feel that the economic aid was contributing to the welfare of all. GENERAL DE LATTRE reiterated that the earlier disagreements were due largely to the overly zealous activity of the "young missionaries" and suggested that future programs should be directed more toward strengthening the infrastructure and toward building roads, railroads, port facilities and factories. He suggested that the allocation of aid funds might be handled through a committee composed of defense representatives of France, the U.S., and the Associated States.

Future Military Leadership

When MR. BINGHAM asked what would happen when General de Lattre left Indochina, the GENERAL replied that several men were being groomed to take more important positions of military leadership. General de Linares was assuming increasing authority in the Tonkin area, while in the South, General de Lattre's deputy, General Salan, a close friend of the Vietnamese, was in command. Both men were doing a magnificent job as witnessed by the successful military operations in Indochina during the recent period in which General de Lattre had been absent; and, furthermore, each had the confidence of the troops. General de Lattre thought that his greatest personal value lay in the fact that he held the confidence, both of the French Government and of Bao Dai. He emphasized that although he must remain in Indochina for at least a year, his future success rested entirely in U.S. hands. In the Orient, he said, things are not only as they are

but must be as they appear to be. In other words, as Commanding General he must not only have the necessary authority to do the job, but he must also appear to have the authority.

MR. MERCHANT promised that the State Department representatives would work actively to help the General wherever possible and suggested that the General's staff discuss their individual problems with the military leaders. Specifically, he suggested that Mr. Young and Mr. Bingham might talk with General Allard in order to assess his immediate needs.

Recommended French Approach

GENERAL DE LATTRE requested Mr. Merchant to advise him of the best method to use in seeking further military aid from American authorities. MR. MERCHANT suggested two approaches: (1) that the General see Mr. Lovett and General Collins,² and (2) that in his talks with military leaders, he emphasize the importance of specific items and request a definite date for their delivery. He felt certain that the General would have great difficulty in persuading the U.S. Government that Indochina should have a priority ahead of Korea and reminded him that he must recognize that the U.S. was faced with the same problems that are common to all governments, *viz* that it was impossible in many cases to find necessary funds for all desired projects. However, the best result could possibly be obtained if he discussed each item with the military on an individual basis—so many rifles, howitzers, trucks, etc.—and requested that each item be delivered by a specific date.

² Gen. J. Lawton Collins, Chief of Staff, U.S. Army.

751G.551/9-1851: Telegram

The Acting Secretary of State to the Legation at Saigon

CONFIDENTIAL

WASHINGTON, September 18, 1951—6 p. m.

389. De Lattre visit proceeding as scheduled. Gen warmly recd and reactions very favorable. New York arrival followed by dinner given by first Army Chief successful and well covered by press. Brilliant welcome Wash airport with full mil honors. Only civilians in mil receiving line were Bonnet, Montcel, Merchant, Bonbright and Heath.

On call at White House and during mtg with Secy on fourteenth de Lattre emphasized "oneness" of anti-Commie struggle Korea, Europe and IC. Pointed out importance Tonkin as barrier against further Commie advance southward and described great loss to west if through fall of IC, SEA shld be seized by Commies. Pres expressed warm

interest in General's exegesis and replied U.S. will continue to aid Fr in IC struggle. Secy also reiterated U.S. awareness importance IC and intention continue contributions toward solution jointly desired by U.S. and Fr.

Working level MDAP mtg 15th attended by State-Defense officials. Fr stated higher priority required for mil shipments IC as present delivery sched unsatis and not in accord with progressive requirements nat armies now being formed nor permit adequate arms Fr reinforcements now arriving IC.

Evening 15th de Lattre and party entertained at stag dinner by Cambodian Min Kimny and FonMin Phleng. Guests included Viet Del and Dept officials.

On 16th de Lattre appeared on "Meet the Press" television show. Reaction his presentation favorable with estimated ten to twelve million audience. Although somewhat nervous, Gen made excellent presentation in English in response provocative questions. Points covered are: (1) Reemphasized "one war" theme. (2) Admitted had come to seek additional mil aid in form equipment for Fr and Associated States but not to ask for Amer soldiers. (3) Stated MAAG not assisting in training of troops but had been of considerable assistance in supply and use of mil matériel. Praised Brink highly. (4) Complimented Viets on their competence as soldiers. (5) In event overt Chi invasion wld seek fon assistance through U.N. (6) Described contd presence Fr troops IC as obligation of France to protect newly acquired independence of Associated States. He stated remaining Fr interests IC cld not otherwise justify losses of 38,000 men including 1,000 young officers and heavy expenditures since 1946. (7) Hoped gradually to withdraw Fr troops as local armies complete training and assume defense responsibilities in order Fr may fulfill her obligations in Europe. (8) Opined IC conflict cld be successfully concluded within minimum months to maximum "perhaps one to two years" provided no further Chi intervention beyond assistance now being given Viet Minh by Chi Commies. Gen particularly adamant in assurance he cld defeat opposition if given adequate equipment. (9) Agreed with MacArthur statement that center of principal Commie effort has moved to southern area of Far East. (10) Pointed out Sov requirements of additional manpower. Only remaining source large nr young men in SEA. The Gen therefore expected principal Commie effort in this direction but remarked Commies will only attack positions of weakness.

Mtgs continuing 17th between de Lattre and Dept and between Allard and MDAP. Results will be reported.

Sent to AmLegation Saigon 389; rptd info AmEmbassy Paris 1641.

PSA Files : Lot 58D207¹

*Record of a Meeting at the Pentagon Building, Washington,
September 20, 1951, 3:30 p. m.*

SECRET

Participants

FRENCH

General de Lattre
General Allard
Ambassador Bonnet

UNITED STATES

Mr. Lovett
General Collins
General Olmsted²
General Brink
Colonel Dickens
Lt. Colonel McGarrigle
Major Cunningham (interpreter)

Mr. Lovett welcomed General de Lattre and invited him to open the conversation.

General de Lattre spoke at length about the importance of the war in Indochina. He said that every day he asks those whom he meets in the United States if Indochina and Korea are not one war. The answer is always "Yes". He said that General Collins had agreed with him that "if you lose Korea, Asia is not lost; but if I lose Indochina, Asia is lost." Tonkin is the key to Southeast Asia, if Southeast Asia is lost. India will "burn like a match" and there will be no barrier to the advance of Communism before Suez and Africa. If the Moslem world were thus engulfed, the Moslems in North Africa would soon fall in line and Europe itself would be outflanked.

General de Lattre recalled that at Fort Benning, the previous day, he had spoken of the paramount importance of infantry in the war of today and the war of tomorrow. He recalled that at the end of World War II, the Soviet Marshal Zhukov had told him that Russia would need fifteen years to replace the calamitous losses among her youth before she could fight another war. This is the importance of Asia to the Russians, as illustrated in Korea—to fill their need for young manpower for the infantry to fight their wars. The United States must decide if it is necessary to hold Asia. If the answer is yes, then it must give him the material he needs for the defense of Indochina.

Mr. Lovett recalled that last Friday³ he had expressed to General de Lattre the hope that he would regard the Pentagon "comme chez vous". General de Lattre did not need any further expression of our understanding of his problem. However, Mr. Lovett wished to clear

¹ Certain files of the Office of Philippine and Southeast Asian Affairs, 1949-1955, containing primarily material on Indochina.

² Brig. Gen. George H. Olmsted, Director of the Office of Military Assistance, Department of Defense.

³ September 14.

up something that may confuse the General, as it confuses many American citizens. He explained that an appropriation of funds for FY 1951 means that these funds are to be obligated in FY 1951, but does not necessarily mean that the actual production of matériel will take place in that year. The American fiscal year begins on July 1st. Mr. Lovett said that in order to meet General de Lattre's problem, which we so well understand, we must take account of what we are able to do. He pointed out that Congress has not yet approved the Military Aid funds for 1952. Beginning about March 1952, we will get more industrial production than we are getting now.

Mr. Lovett said that General de Lattre had made a very persuasive presentation of the needs of his theater. Although, in one sense, your theater of war is the same as ours, we must recognize that the United States has a primary obligation in other theaters, whereas your primary obligation is in your own theater. Mr. Lovett said that he would ask General Collins to respond specifically to the requests which General de Lattre had made this morning.

General de Lattre interrupted to remark that he had seen in the paper yesterday evening that the Department of State had made a statement exactly contrary to what he was aiming to achieve.

Mr. Lovett said that he would like to explain how this had come about. There had been a report from the French press agency that the United States would place Indochina on the same or higher priority than Korea, where the United States has had 89,000 casualties. There was an immediate Congressional reaction that such a decision would be wrong. The Department of State had responded to the rumor by stating the actual facts, i.e., that such a decision had not been made. The purpose of this statement had nothing to do with General de Lattre's visit. Mr. Lovett said he thought General de Lattre would find encouragement in the information which General Collins was about to give him.

General de Lattre referred to the battles of last May and June in Indochina. Earlier, the Vietminh had been able to support their troops in battle for only a day or a few days at a time. With each succeeding month, they were able to sustain their forces in longer operations. This resulted in an ever-increasing rate of wear and consumption of matériel by the French and Vietnamese forces. In June, there had been less than 6,000 shells in all Indochina. General Brink had told him that additional supplies of ammunition were expected momentarily. Then it was learned that the ship carrying them had been diverted to Korea. Consequently, during eight days the French forces were "in a most dramatic situation". Owing to the lack of reserve ammunition, it was impossible to counter-attack. When no counter-

attack was ordered, his men were asking if the General had lost his energy because of the death of his son, but he could not tell them the real state of affairs. The General said that he no longer felt personal ambition. His future is nothing. He is only trying to do his duty to his country and the whole free world. Nevertheless, he would not volunteer for disaster. If the means to continue the war were not made available to him, he could not recommend to his country that it continue to sacrifice the flower of its youth without hope of victory, and he would explain to his country and to the United States why it was impossible to carry on.

Mr. Lovett expressed his understanding. The U.S. wants to do whatever is possible, but it would be misleading to let General de Lattre think that everything is possible.

General Collins then explained what his staff had been able to accomplish toward expediting the deliveries of Army supplies. He recognized that March was too late for the delivery of the vehicles which had been promised, because the most favorable season for operations in Indochina is in January and February. Consequently, his staff had arranged that 4500 vehicles would be delivered by the first of January 1952. This should be a material help. This promise was contingent on the availability of the necessary shipping. In addition, of the 330 combat vehicles requested, all would be available by the end of the year, with the possible exception of the M3A1 scout car. On signal equipment, it was simply impossible to meet the demand for 2700 radios at this time. However, 600 would be available by the end of the year. In small arms, 8900 Thompson sub-machine guns and 500 machine guns would be available by the end of the year. Thus, if the shipping is available, we will be able, by the end of 1951, to meet all the critical items on the list which General de Lattre left with General Collins, with the exception of radios, and $\frac{1}{4}$ of them could be delivered.

In addition to expediting these deliveries, General Collins had asked his staff to review the reserves which General Ridgway has for his operations in Korea with a view to making as much as possible available to Indochina. He could make no promises but assured General de Lattre that we will do all we can. There is a limit beyond which we cannot go, but we may even cut a certain percentage of their equipment from our own troops in Europe.

Third, General Collins said that he had directed his staff, in coordination with General Olmsted's office, to reexamine the allocation of funds for military aid for Southeast Asia and the Middle East. The law allows ten per cent transferability of funds between areas. Our staff will study means to make money more immediately available for Indochina.

General Collins reviewed these three measures which he had directed his staff to take, and said that, in the short time he has been able to

study the situation, that is the best he could do. General de Lattre assured General Collins that he would make all the use humanly possible of the materials given him. However, many things can happen even by the first of January.

Mr. Lovett explained that the first of January was the date for completion of shipments, that the matériel would begin arriving much sooner.

General Collins said that we will do everything possible to make the deliveries even earlier.

Ambassador Bonnet inquired as to the availability of shipping.

Colonel Dickens said that the question of shipping had not been fully explored in the limited time available, but that it appeared that shipping would not present any problem.

General de Lattre said that sometimes while he is in the United States he feels like a beggar asking for these things. He would like to feel that "I am your man just as General Ridgway is your own man. Your own spirit should lead you to send me these things without my asking."

Mr. Lovett observed that if we had not regarded him in this way we would not have taken the measures which General Collins had just outlined.

General de Lattre replied that this confidence meant very much to him and made him very happy.

There was some discussion regarding the routing of shipping to Indochina. Mr. Lovett directed that ships carrying these critical items be routed directly to Indochina. If matériel for other destinations has to be loaded on any of these ships, such matériel should be bottom-loaded and dropped off on the return trip. Mr. Lovett congratulated General Collins for being able to follow through so quickly on the items which General de Lattre had listed as critical.

General de Lattre said that since he saw that the United States officials had confidence in him, he would write regularly to General Collins and keep him informed of the situation in Indochina. "We shall be hand in hand."

Mr. Lovett then raised the question of critical Navy items, particularly LCM's.

General de Lattre decided that he would prefer to have the LCM's delivered at the earliest possible date, regardless of whether or not they were equipped with armor. Armor could be fitted on them locally at such time as it became available.

General de Lattre then explained the importance to him of his request for aircraft. His Hellcats were "finished". They must be replaced by F-86 jets in order to impress the native Vietnamese and deter Chinese aggression.

Mr. Lovett said that there was no possibility of making jet aircraft available.

General de Lattre explained his need for two squadrons of "Packet" aircraft. He needs a capability to air-drop 1500 to 1600 men. At the present time, he is limited to a drop of 600 men.

Mr. Lovett said that the Air Force now has the question of transport aircraft under study. He suggested that General de Lattre may wish to explore with his own Government the possibility of allocating to Indochina some of the C-119 aircraft which are in the 1951 French MDAP.

General de Lattre said that his Government would probably tell him that these are needed for SHAPE.

Mr. Lovett observed that the United States is faced with the same problem.

Colonel McGarrigle reported that of the B-26 aircraft now programmed, eight would be delivered by the end of 1951 and eight more by June 1952.

General Collins observed that the Secretary could not possibly be acquainted with all the details of the Air Force and Navy items. He suggested that General de Lattre save time by discussing other items directly with the Air Force and the Navy, just as he had discussed the Army items with him this morning. It was agreed that Ambassador Bonnet and General Olmsted would make necessary arrangements for this.

In conclusion Mr. Lovett said that we regard General de Lattre as a comrade in arms and will do everything possible for his theatre within our capabilities.

General de Lattre replied, "Do not say *my* theatre. It is not *my* theatre; it is *our* theatre."

The visitors left at 1640.

J. D. MITCHELL

Major, GSC

Office of Foreign Military Affairs

751G.5-MAP/9-2051

*The Acting Assistant Secretary of State for Far Eastern Affairs
(Merchant) to the Secretary of Defense (Lovett)*

SECRET

[WASHINGTON,] September 20, 1951.

MY DEAR MR. SECRETARY: In our recent conversations with General de Lattre, we assured him that Indochina enjoyed a priority for military end-items second only to Korea, ahead of all other recipients of military aid. General de Lattre said that this so-called "priority"

for Indochina meant nothing to him, that all he knew as a soldier was that he was not getting enough for his needs.

A spot check of MDAP shipments based on Department of Defense reports to us indicates that General de Lattre's complaint about the value of his priority is by no means wholly unjustified. It appears that other MDAP recipients have been receiving very substantial shipments of items on which promised deliveries to Indochina are farthest behind.

For example, General de Lattre particularly complained of the inadequacy of jeep deliveries. Under the combined FY 1950 and FY 1951 program, Indochina was to receive 968 jeeps. 444 had been shipped to port as of July 31, 1951. Our last report with respect to estimated deliveries indicates that shipments of the remaining 522 are not expected to be completed until the third quarter of 1952 although this may since have been advanced. Yet, as of July 31, 1951, 4,547 jeeps had been shipped to port for Title I countries, including 2,939 units for France, and 873 for Stockpile A; 1,185 had been shipped to port for Title II countries; 50 for Indonesia and 236 for Canada (reimbursable aid).

Another item which General de Lattre mentioned was cargo trucks. The total program for Indochina of 2½ ton 6 x 6 trucks calls for 906 units. As of July 31 last, 393 had been shipped. Deliveries were estimated to be completed in the first quarter of 1952. Yet, as of July 31, 1951, 7,362 trucks of this type had been shipped to port for Title I countries, including 4,641 for France and 1,548 for Stockpile A; 399 had been shipped to port for Title II countries, 17 for Thailand and 451 for Canada (reimbursable aid).

The same situation prevails, although not to such an extreme degree, in the case of communications equipment, 155 mm. Howitzer shells, and other items on the Army program.

We do not yet have the figures for shipments to port for August or for any part of September. However, it seems more than likely that items which are high on the list of urgent needs for Indochina are currently on their way to other MDAP recipients. It might be possible before General de Lattre leaves to give him assurance of specific expedited deliveries to Indochina by diverting some of these shipments.

While there are doubtless other items on General de Lattre's lists, such as helicopters and C-47s, which we cannot supply quickly, it would certainly be most desirable not to send General de Lattre away altogether empty-handed.

We are delighted that you have found it possible, together with General Collins, to see General de Lattre. I urged him to seek an appointment in the knowledge that you would give him a sympathetic hearing. During the course of our conversations in the Department with him on

Monday ¹ I reiterated the vital importance which we attach to holding Indochina, which importance Secretary Acheson stressed to M. Schuman. I also told him that we would again remind the Department of Defense of the disastrous political consequences which might be expected to arise from the loss of Indochina, though I assured him such repetition was unnecessary in view of the established position of this Government regarding the importance of the countries which he is defending.

Sincerely yours,

LIVINGSTON T. MERCHANT

¹ September 17.

Editorial Note

On September 23, the Departments of State and Defense released the following statement to the press:

"Discussions which have been going on for the past week between General of the Army, Jean de Lattre de Tassigny, French High Commissioner in Indochina and Commander in Chief of the French Union Forces in Indochina, and officials of the Departments of Defense and State, were concluded September 22 in an atmosphere of cordiality and unity of purpose.

"The participants were in complete agreement that the successful defense of Indochina is of great importance to the defense of all South-east Asia. United States officials stated that General de Lattre's presentation of the situation in that area has been invaluable to them and had demonstrated that United States and French policies in the associated states were not at variance.

"In the course of the discussions with the Department of Defense, the military-aid program for Indochina was reexamined, with the result that considerable improvement will be made in the rate of deliveries of many items of equipment. General de Lattre has been advised that the question of additional aid for the French and Vietnamese forces in Indochina in the fiscal year 1952 program is under study by the United States Government."

793.5851G/9-2451 : Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, September 24, 1951—8 p. m.

424. During course dinner conversation with de Lattre Sep 23, Merchant asked de Lattre status in intern KMT troops in Indochina and prospect their repatriation Formosa. Recognizing US interest in accomplishing repatriation, Gen stated emphatically that in view existing threat Chi Communist intervention he must avoid any action which cld be considered by Commies or by others as provocative,

which he believed repatriation wld be. He added he found presence KMT troops expensive and source of difficulties with local population.

Sent to AmLegation Saigon, for info 424, AmEmbassy Paris, for info 1780, AmEmbassy Taipei, for info 265.

ACHESON

751G.551/9-2651 : Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, September 26, 1951—7 p. m.

442. Gen de Lattre departed Wash 24th for West Pt, thence to New York where he was guest of honor at dinner given by Luce¹ of *Time-Life* on 24th. Departed for Paris by air evening 25th.

In addition visits service installations and official entertainment Gen had conversations high officials Defense and Dept including four hour session Sept 17 in Dept attended by reps White House, Defense and ECA, as well as Dept officials concerned IC and Fr affairs. Gen's principle thesis was that Korea and IC are one war and therefore illogical for US grant higher priority to Korea. His exposition delivered with candor and considerable vigor. All questions put to him disposed of satisfactorily. After Gen's effective presentation and general discussion Acting Asst Secy Merchant stated in conclusion that Dept not competent to change existing priority for IC mil Aid Program and that, furthermore, it was our opinion that Gen was ill advised to press for change of priority as extremely unlikely this cld be accomplished for reasons which Gen as soldier and patriot wld understand. Merchant advised on behalf of Dept that Gen rather devote his efforts to making up detailed list of matériel required, noting reasons and dates, and have it submitted by members of his staff (Allard and Cogny) to U.S. officers charged with implementation aid program and, finally, that Gen himself take up question in detail with Service Secys, Gen Collins and Secy Lovett.

De Lattre called on Gen Collins 20th, Secy Lovett same day and Naval and Air Secys and Chiefs of Staff subsequently. Notes these conversations where available will be pouched.

In general Dept informed that Secy Lovett and each Service Secy promised de Lattre to look again into possibility of expediting delivery of supplies under 1951 program which is being delivered far behind de Lattre's current requirements. Similarly they assured Gen they wld attempt to expedite 1952 program. Among others, specific promise was given in instance of 1951 ground program that all of 4,500 wheeled vehicles wld be delivered by Jan 1952. This will involve certain agreed substitutions of types. Army promised to investigate

¹ Henry R. Luce, Director, Time, Inc.

FECOM stockpiles in effort locate available matériel and find additional supplies requested by him under the '52 program.

At conclusion Lovett interview Secy Defense said we regarded Gen de Lattre as comrade in arms and will do everything within our capabilities to meet U.S. share of requirements for his theatre.

De Lattre did not, to our knowledge, discuss the question of a fiscal grant for general purposes including the maintenance of National armies. This subj touched upon in Schuman note (already transmitted) will probably be brought up again during and fol Oct NATO talks which will include further examination Fr Budgetary position. Nor did he raise question of SEA Theatre Command.

De Lattre's forceful personality has, without question, advanced awareness in Dept and Defense as well as U.S. public opinion of extreme importance of IC urgency of sit there. Dept of Defense re-examination of aid program will undoubtedly result in an accelerated flow of matériel.

Dept assured de Lattre that his political program was in complete consonance with Dept's estimate of what the actual situation required and we would continue to impress upon the Dept of Defense the desirability of re-examining the status of the supply program in keeping with our conviction that the defense of IC is essential to the defense of the balance of SEA.

Sent to AmLegation Saigon 442; repeat to AmEmbassy London for info 1696, AmEmbassy Paris for info 1818 (pass MacArthur).

ACHESON

751G.5 MAP/10-151

The Secretary of Defense (Lovett) to the Secretary of State

SECRET

WASHINGTON, October 1, 1951.

DEAR MR. SECRETARY: The problem of increased deliveries of MDA matériel to Indo-China discussed in Mr. Merchant's letter of 20 September 1951 is being resolved within the Department of Defense. As a result of meetings with General de Lattre and members of his staff, agreement has been reached on certain substitutions and adjustments in the Indo-China program. It now appears that all the critical Army items on General de Lattre's list will have been shipped by 31 December 1951 except for the radios, and one quarter of these will have been shipped. The Navy will deliver 30 LCM's, 36 LCVP's, 26 Coast Guard patrol craft and 1 LST prior to 31 December 1951, and expects that delivery of 12 JRF aircraft can be accelerated so that delivery will be made by the same date. The Air Force is taking all practicable measures to accelerate the delivery of the transport aircraft and B26's which General de Lattre requested.

Mr. Merchant's letter refers to spot checks of MDAP reports which seem to indicate that other recipients have been receiving substantial shipments of items urgently required by Indo-China. The figures cited are the result of one or more of the following:

- a. Deliveries of items on which supply action had started prior to the raising of the Indo-Chinese priority in December 1950.
- b. Token shipments of relatively small quantities made in order to initiate deliveries promptly after signing of bilateral agreements, and to maintain at least a minimum flow of matériel to all recipients.
- c. Training equipment to all recipients.
- d. Deliveries to NATO nations of approximately 8000 vehicles which were excess to EUCOM requirements before the outbreak of the war in Korea. These vehicles were reconditioned in Europe.
- e. Sales to Canada for use by Canadian Forces in Korea.

In order that you may have later information than that contained in Mr. Merchant's letter, I am enclosing a summary of major items programmed and delivered to port as of 31 August 1951.¹

With kindest regards, I am

Sincerely yours,

ROBERT A. LOVETT

¹ Enclosure not printed.

751G.00/10-451 : Telegram

*The Chargé at Saigon (Gullion) to the Secretary of State*¹

SECRET

SAIGON, October 4, 1951—9 a. m.

763. In course of courtesy call on Adm De Bourgoing naval commissioner in IC, actually No. 3 admin IC today, the foll points discussed:

1. Adm was much satisfied with arrival of American matériels; stated his current problem was to obtain sufficient men to maintain and handle equip; the assignment of officers and men from Metropolitan France was behind sched.

Comment: As Dept is aware, this is chronic complaint of Fr naval staff here.

2. So far as naval missions were concerned, Adm was optimistic and found situation better than he had expected on arrival, especially in the south.

3. He did not expect Viet Minh to attack in force again on the Vinh Yen scale. If they were to attack it wld only mean repetition of reverses for them.

Comment: Leg understanding is that most milit echelons expect repetition of VM attack.

¹ This telegram was transmitted in two parts.

4. He is completely unable to understand De Lattre's estimate that VM might be eliminated as effective force in eighteen months to two yrs. The war in IC could not be finished with the means at hand unless there were a gen settlement "somewhere else". The Fr cld only stay on, waiting for such a settlement. In the 60 years that Fr had been in Tonkin, for example, the area had never been truly pacified and active war was conducted there for first 30 yrs. Abilities of Fr for pacification of Tonkin depended upon Chi disposition to support VM. He cld not understand an assumption attributed to Gen De Lattre, that VM level of supply wld remain the same. Surely the Chi wld continue to aid VM at least on the present scale in order to keep war going. Adm questioned me about disposition Chi Air Force in view airport construction South China. Intervention of Sino-VM air wld, of course, transform situation. The situation in the south might possibly be solved or got in hand by milit means "if the Gen were to free, say, 10 battalions for operations in South". With a hearty laugh, Bourgoing said we might ask the General what he meant by an eighteen-months war but that he certainly cld not unless he meant to go home right away.

5. I hazarded as my guess that Gen was psychologically attracted to offensive operations toward Langson since, in his opinion, its fall represented the nadir of Fr prestige. The Adm thought this was not improbable but asked change it wld make.

Fear a situation if Langson were retaken [*sic*].

Comment: Gen once told me he was dedicated to the taking Langson. Once it was in Fr hands, De Lattre cld point out he had regained all lost territories, had united Bao Dai and Viet Govt behind him, and had laid foundations of Natl Army. At this time, his mission cld be said to have reached fruition—Gen is nearing IC and still has European ambitions. But whether these IC successes which do seem within his reach are solid and durable shld be prime question for our policy and our aid programs.

Those of us now Saigon uniformed of explanations or assumptions upon which De Lattre has based estimate, or of plans for offensive which he may have developed for US auth. I may say De Bourgoing's reaction is typical of that of most Fr officers to whom one talks and of foreign attachés; e.g. Br attaché's estimate of duration is 15 to 20 years. It is of course, conceivable that Viet Army could tip the balance although it is not being fitted more rapidly than the Viet Minh Army. Even if Natl Army shld reach maximum effectiveness with De Lattre's two year time estimate, which is I think hardly possible, the average Fr officer here does not foresee defeat of the VM in the field in the sense that the country wld be pacified, freedom of movement restored, and guerrilla warfare exterminated. Incidentally, as

is now not often recalled, De Lattre is pledged to his govt to return some portion of his troops to France next spring.

The state of our knowledge about the VM (and I think same true of Fr) does not permit accurate assessment of VM morale.

It is always possible that the privations to which they are subject and their dissatisfaction with police state and Communist control may so erode their will to resist, that their whole structure wld suddenly give way before an assumption of the offensive by the Franco-Viets. Frankly, I doubt it. In any case, there is no present indication that their military strength is declining.

Lacking the background of De Lattre's analysis Leg will not now comment further on this estimate attributed to him except to say that the meaning of victory in field over VM is susceptible of various definitions. Possible criteria for victory might be:

a. Is it of such character as to permit the relief of Fr troops and their transfer to Metropolitan France?

b. Is it independent of an international political settlement involving (1) arrangements with Communist China, and (2) some form of compromise with the VM?

Dept pass Hanoi. Sent Dept 763, rptd info Paris 311, Hanoi 47.

GULLION

751G.5 MAP/10-1051 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PRIORITY

PARIS, October 10, 1951—8 p. m.

2118. Toisa. Ref Deptel 2008, October 5.¹

1. Decision of Fr cab before departure of Mayer to Washington was to limit mil budget for Indochina to 350 billion francs in cal 1952. During past few years Fr Govt has repeatedly tried to use this ceiling device to compress Indochinese expenditures without much success. In each year the initial budgeting has been purposely optimistic and a deficiency appropriation has been obtained later in year when it is inevitably proved that active mil operations could not be compressed within ceiling. Our info is that Fr budget officials recognized that ceiling cab hoped to impose for '52 was not realistic.

Estimate of 430 billion francs presented in Washington in Schuman's note² is that used by De Lattre's advisers. Since his return to Paris De Lattre has succeeded in reopening question of level of '52 mil budget for Indochina. He is strongly supported by Letourneau. Final decision by cab should be somewhere between 350 billion and 430 billion francs but it is not likely that such an agreement will be

¹ Not printed.

² For substance, see telegram 1606 to Paris, September 15, p. 505.

reached until first of next week when cab members will have returned from electioneering tasks.

2. Our understanding is that Fr still intend to seek supplementary aid through devices suggested by Guindey³ in September 13 meeting in Washington. Final details of presentation and components of aid to be requested also require further consideration at cab level. We have been promised additional info by end of this week.

3. Suggest you may wish to reply to sec II (C) of Fr note immediately by indicating that US is prepared to consider statement of assistance for Indochina in more specific terms during talks now scheduled for end of October. We believe it would be helpful for you to send interim reply to Fr note on balance of payments dated September 1, 1951 and forwarded in Embtel 1402.⁴ Our suggestion assumes you have made final decision to proceed with Oct talks here and that ISAC exercise to prepare answer to letter from Pres Truman will develop adequate estimates and instructions to permit us to negotiate usefully with Fr. We should at least be in position to promise some assistance on interim basis to try to avoid adverse repercussions on mil prog and polit situation which may arise from developing balance of payments difficulties. Some interim arrangement will probably be most desirable manner of proceeding because US should be able to take a firmer position on amount and nature of French mil effort for 52 after TCC has completed its exercise.

4. Emb and missions would like to see substantial part of any assistance to France earmarked as offset for support of Indochina mil operations or substantial assistance direct to Indochina. Ever-increasing Indochina burden is having effect not only of diminishing possible extent Fr effort in support her Eur def obligations but also affects Fr position on size of Ger contribution to Eur def and on occupation costs in Ger. A contribution in forces and finances from France to Eur def at least equal and preferably superior to that of Ger is in their view a polit necessity for agreement on Ger rearmament even within Eur army framework.

Prob becomes more difficult if Fr must now assume occupation costs for Fr troops in Ger and if Ger does not have naval forces. Fr finance officials do not find complete answer in keeping Ger financial contribution small although this is their present position. They also want Ger to carry an equitable burden of def thereby avoiding a deterioration for France in French-Ger payments relations. Accordingly, they are seeking means to have Ger make financial contribution

³ Director of the Office of External Financial Affairs, French Ministry of Finance.

⁴ Dated September 1 from Paris, not printed. The French note concerned the worsening financial crisis in France. (751.5-MAP/9-151)

outside its contribution to Eur def either by continuing occupation costs, by a special payment for infrastructure, by a "burden-sharing" contribution, or by giving other Eur countries a credit for forces in being.

Personal view of most Fr officials in EDF conf is that France cannot receive occupation payments once EDF treaty is in force. They are, however, so anxious to see desired balancing of Fr and Ger contributions in EDF framework that they have even considered advisability of having Ger continue to pay occupation costs to US and UK alone as offsetting margin outside EDF. Such an arrangement would of course be very difficult to have accepted in France.

Obviously French position would be better if Fr could reduce obligations outside Eur def. We must keep in mind, therefore, possibility that with Fr realization of growing Ger def contribution in relation to their own polit and mil situation plus continued weakening of Fr franc Fr Govt may fail to continue furnishing sufficiently large mil budget for IC to enable it, even with our presently scheduled assistance, to maintain successfully IC mil operations. Result would be progressive deterioration Fr position, giving rise to renewed and perhaps increased pressures here for some kind of negotiated settlement with Ho Chi-minh.

Sent Dept prity 2118 rptd info London 522 Frankfort 240 Paris for OSR.

BRUCE

751G.551/10-351

Memorandum of Conversation, by Mr. William M. Gibson of the Office of Philippine and Southeast Asian Affairs

SECRET

[WASHINGTON,] October 12, 1951.

Subject: Interview of PSA Officers and Minister of French Embassy concerning public declarations made by General de Lattre in Paris and London.

Participants: Mr. Daridan, Minister Counselor, French Embassy
Mr. Lacy, PSA
Mr. Gibson, PSA

Mr. Daridan came in today at Mr. Lacy's request. The first part of the conversation was devoted to answering Mr. Daridan's recent questions concerning the delivery of aircraft under MDAP to the Thai Government about which he had talked to Mr. Rusk on September 26th (see Memo of Conversation dated September 26, 1951).¹ Mr. Daridan was grateful for the information and indicated he now considered

¹ Not printed.

the matter closed. He remarked that Gen. Murtin² and the French Attaché in Bangkok had apparently both made mistakes in their original presentation in the sense that the French Attaché in Bangkok had erred in reporting that the Thai were to be given jet aircraft and Gen. Murtin erred in believing that aircraft were being shipped to Thailand at the expense of Indochina. The aircraft in question had been offered to the French originally and turned down.

The second part of the conversation was devoted to Mr. Lacy's outline of the Department's concern with the reports which have been coming in during the last ten days of Gen. de Lattre's public statements concerning his accomplishments during his recent trip to the United States. Mr. Lacy explained that the General had made a grievous error in stating, for instance, that he had effected a change in United States policy toward Indochina during his visit here. Mr. Lacy reminded Mr. Daridan that this was simply not the fact as he, Mr. Daridan, Mr. Gibson and the others concerned knew well. Mr. Daridan fully admitted this. Mr. Gibson then read portions of Gen. de Lattre's message of early October to Bao Dai (see Saigon's telegram 761, Oct. 3)³ in which several extravagant statements were made concerning Gen. de Lattre's role in influencing United States policy in Indochina. Mr. Gibson also referred to other documents including press reports from London, Paris and Saigon in which the General's flights of fancy were aired. Mr. Daridan agreed readily enough that these observations were inaccurate and that something should be done to correct them. He offered the opinion that in view of the General's personality it would be more effective if he were to address a letter directly to Gen. de Lattre in the matter than if the Department were to instruct its Minister to approach the General or the Quai d'Orsay attempted to do so through the Diplomatic Counselor in Saigon. This was generally agreed and it was decided that Mr. Daridan would write such a letter to Gen. de Lattre.

Mr. Lacy was emphatic in making the point that although we were as appreciative as anyone of the General's idiosyncrasies and highly temperamental nature we could not condone the further circulation of these untruths. Mr. Lacy pointed out that although he didn't wish to elaborate on the present instance he did want it to be made clear to Gen. de Lattre that there must be no further distortions of fact. All this was well accepted by Mr. Daridan who gave an impression of being as aware of the validity of the Department's position in the matter as Mr. Lacy and seemed considerably embarrassed by it all.

The interview ended cordially with Mr. Daridan's assurances that the necessary communication would be addressed to the General and

² Brig. Gen. Jacques Louis Murtin, Air Attaché, French Embassy in the United States.

³ Not printed.

that he would personally see it through during his coming visit in Saigon.

951G.61/10-1551 : Telegram

The Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, October 15, 1951—6:06 p. m.

536. Legtel 800¹ valuable in summarizing local press reaction to de Lattre visit. We find it difficult to believe that the Gen can honestly think that the coincidence of US views on IC with his own as demonstrated in Wash was only arrived at as the result of his presence. We are disturbed by, among other things, his reference in the Bao Dai msg to a radical change of Amer opinion. On the whole we are inclined to look upon the extravagant declarations and publicity as arising from the exaggerated reaction of a confirmed egotist who has recently passed through a grave crisis and is being carried away by his own enthusiasm fol a somewhat unexpected success. It is our hope that the Gen will soon come back to earth and it was with the purpose of accelerating his deflation that the Fr Min was called in Oct 12 and the facts together with our reaction presented to him.

Leg is fully aware of the actual facts concerning de Lattre-US conversations as in Min Heath. We suggest that the Min make such details known to the responsible auths in Vietnam, both Fr and Vietnamese, as may be necessary to correct any erroneous impressions. MAAG is aware that no formal request for equipment for proposed additional four divs was transmitted during the Gen's stay. Mil aid talks were therefore ltd to the question of acceleration of aid already programmed. The actual results of these efforts are not yet established due to supply limitation which existed prior to the Gen's arrival. There is however no question that there will be an acceleration in the flow of material as a result of additional efforts made by the appropriate mil auths fol de Lattre's extremely effective presentation.

ACHESON

¹ Telegram 800 from Saigon, October 15, is not printed.

751G.551/10-1551 : Telegram

The Chargé at Saigon (Gullion) to the Secretary of State

CONFIDENTIAL

SAIGON, October 15, 1951—4 p. m.

837. As reported in London tel 11, October 9 sent Dept 1744 Paris 674 [673]¹ De Lattre once again indicated that, since Fr investment

¹ Telegram 1744, October 9, reported on the visit of General de Lattre de Tassigny to London, October 4-7, during which he expressed views on Indochina similar to those he had delivered in Washington in September (751G.551/10-951).

in IC totalled only 2 billion dollars and since Fr was spending for IC war about 1 billion annually obviously no profit motive in Fr determination remain in IC. HICOM has made several similar public statements recently. Leg assumes these must be for fon, particularly US, consumption. For excluding fact Fr mil expenditures IC 1951 more nearly 80 million than one million (Legdes 42, July 23)² and that De Lattre presumably referring only private commercial and industrial investments, fol factors prejudice simplicity this line reasoning.

1. The 800 million dollars now being spent IC wld be spent on mil purposes irrespective of whether there were or were not war IC, i.e., for defense western Eur rather than for defense IC. Fr taxpayers, provided Fr were to continue devote maximum possible of gross natl income to mil ends, wld not be required pay less toward Fr total mil budget even if forces or subsidies not required IC.

2. Fr interests are not surrendering their econ positions in IC. They still own: (a) All of Fr-IC and all of cabotage, shipping, (b) all important public utilities, (c) all rubber plantations, (d) all banks except for two Brit ones (e) all important import-export houses, (f) most of coffee and tea plantations, (g) concessions on almost all known mineral resources. (SCAP cannot assist Jap in exploiting new salt drying bed in Vietnam without entering into arrangement with private Fr concessionaries), (h) all large-scale enterprises—textiles, breweries and distilleries, cement and glass works.

3. Through Pau conventions Fr retained veto power over key econ fields of fin policy and fon trade. This necessary as long as piaster tied to francs, but no provision made for automatic removal this veto when IC economy again becomes self-sufficient. Almost all informed AS business and governmental circles aware this situation and that of 2 above. Often refer obliquely but approvingly to Iran's action re Brit oil interests.³

4. Based on official confidential Fr exchange figures Fr treasury transfers francs into piasters based on data last four months at annual rate of \$314 million (remainder Fr mil and civil expenses for IC presumably consummated in metropole.)

At same time IC economy is transferring piasters into francs on same basis at annual rate \$187 million. Latter payments include profits, dividends, soldier and family remittances, insurance payments and other "fin operations". Both figures exclude "commercial operations". It is true that this flow payments metropole tends shift inflationary pressures from IC to Fr, but at same time it benefits private interests. Income mostly Fr because Fr control most of IC's liquid wealth. It constitutes in large part transfer from Fr taxpayers to other Frenchmen (Legdes 598 March 30).²

² Not printed.

³ Documentation on U.S. policy with respect to the Anglo-Iranian oil controversy is scheduled for publication in volume v.

Above comments are submitted with hope that, shld other data available to Dept require correction in them, Leg may be instructed. They concern themselves of course entirely with Gen's specific statement re Fr's econ position re war in IC and make no attempt assess heavy and irreplaceable losses human life.

Sent Dept 837, rptd info Paris 338, London unnumbered.

GULLION

751G.5/10-1651 : Telegram

*The Chargé at Saigon (Gullion) to the Secretary of State*¹

SECRET

SAIGON, October 16, 1951—midnight.

852. Fol are further Leg views on additional four div project.

1. Leg agrees and has for many months urged that truly Viet army able and willing fight within Fr Union framework and against Commie led Viets is most important immed objective our policies and programs in IC. It provides vindication of reality Fr claim of independence Viets, and wld be matrix and shield for development polit institutions. If fighting in IC is to be ended in our lifetimes, if Vietnam to be source strength rather than weakness for free world, respected Viet Natl Army essential.

2. We believe, therefore, that we shld welcome any feasible initiatives toward construction of such force and that Viet-Franco-Amer alliance cannot afford fail to support this additional project.

3. At same time we must be certain that any specific army project soundly conceived, and that its risks calculated not gambled. As initial material endowment and subsequent maintenance this increased force, as well as majority its financing will, in one form or another, be US responsibility, we are more directly involved in new four div plan than in any previous Franco-Viet project. Our appraisal must reckon with fol considerations:

a. First of all, we shld be clear as to exactly what new project can accomplish. We doubt that this increase involving about 30,000 lightly armed inf natives can achieve objectives of reducing IC war to proportions Malay guerrilla action or of permitting significant return troops to France. If Fr declarations to US correct, Viet Minh "Peoples Army" has been increased at rate at least equal new project rate, and as De Lattre has claimed, their admin and supply facilities in Chi make it possible constitute their entire force inside IC as combat effectives. New Viet divs shld as minimum maintain present level IC stabilization. They cld also doubtless accomplish pacification South Viet, bringing measure of peace to Cochin-Chinese economy, and lifting trans-Bassac rice blockade and open possibilities for increased govt revenue. It not certain, however, what Fr plan or prefer use new units in south.

¹ This telegram was transmitted in three parts.

b. Second, we seriously concerned by slap-manner in which four div figure presented to us and then hailed in private as fruit of Wash mtgs. Gen De Lattre may have had project in mind but it has never previously been discussed here nor advanced to MAAG or Leg, nor does it appear have been introduced into Wash conversations until they drew to close. Yet since last Sept MAAG had tried get from Fr provisional estimate which might serve as basis for supplemental 1952 program if one became possible. De Lattre seems have been sufficiently encouraged by his reception in Wash to raise his sights from 17 battalion tentatively mentioned in Paris before Wash talks, to additional four div figure. Not until Oct 8 was list of requirements for four divs presented in Saigon.

In meantime, Fr must be aware, as we have frequently told them that no appropriated funds available for any substantial increase over material already programmed.

MAAG has now been furnished preliminary phasing schedule showing formation of divisions to begin next month and to be finished at end 1952, but in absence Chief of Staff, G-4 and others, no Fr mil here sufficiently briefed on project to discuss it with us prior arrival Gen. De Lattre.

c. Third, we must consider results so far obtained in Natl Army activation. In one project or another, Vietnam Army has been under construction since March, 1949; first four division project dates from Dec 1950, prior De Lattre's arrival, aid was to have been completed in July 1951. At end of 1951 it was five battalions behind schedule but has made the lag good. It has to date been formed chiefly by transfers of already indoctrinated troops from auxiliaries and from Fr forces. The native officer corps includes not much more than 800 junior officers, with deficit largely supplied by Fr training cadres. It has had few combat tests. It has no officers above lt. colonel (two only), no gen staff, practically no service echelons, no chief of staff, no full time Min of Def, no senior officers to sit with Fr opposite numbers on permanent staff committee.

d. Fourth, expansion to eight divs before first four are activated will introduce new political element and resultant final product may not be what Fr anticipate. Fr were hypercautious in approaching natl army project and only launched it when the Cao Bang disaster and concurrent war threatening Europe made them look for means reducing their commitment in IC. The initial four div plan was also cautious and dominated by concern to produce solid professional army officered by cadres of which Fr cld be sure and whose training was under close Fr control. The new project involves stepping up pace, and successive cadres will necessarily be somewhat faded off from the Fr originals and facsimilies. Moreover, even though first elements will be created by transfers of some ten bns from FTEO, the army will have to resort more direct recruiting and reserves derived from as yet unproved mobilization machinery. Will thus tap levels whose allegiance to Franco-Bao Dai solution not been proved beyond doubt. Thus to the degree that Vietnam's army begins to be natl army its attitudes become less predictable.

e. Nevertheless, we believe this element of risk can be safely accepted because: (1) to degree the Fr control weaker and more remote the more ardent and patriotic the army will become; (2) this plan not

likely to get out of hand long as rate of formation is not headlong and not likely to be, since De Lattre must be aware sentiment in country requires prudent approach. This realization, and financing and cadre difficulties may slow process, at least to rate obtaining for first four divs.

4. Whether the task of creating additional div calls for direct US financing or not equipping of armies certainly involves increasing and indefinite heavy burden on us. Moreover, for each weapon and truck brought here we create potential demand for ammo, maintenance and spare parts. It appears to us that as US moves into this new commitment we have right to ask and require certain things of Fr Indos. For example:

a. Exact current financial outlay, plans and capabilities of each with respect financing AS armies.

b. True picture Fr mil over-all expenditures IC, and future plans.

c. Capabilities for providing equipment from France or local production.

d. Status of plans for building up command, staff and service structure of Vietnam and AS armies, including Chief of Staff and Min of Def. As presently composed consists chiefly of light inf troops. Until natl armies possess own armature and leadership, they can hardly permit transfer Fr troops to France in any significant quantity.

e. Offensive plans of Fr C-in-C and how he intends use force and our aid. He has rather freely stated in three capitals that war will be over in matter of months and has created impression that he bases this estimate on assurances of matériel support given him by US following presentation by him of his plans. We do not know of such plans although doubtless he has them. It is to be hoped that during forthcoming visit of Chief of Staff of United States Army,² De Lattre be able to furnish him with such estimates and plans on the ground.

f. We shld need to follow evolution and development of Vietnamese Army much more closely and responsibly than we now able to do. Operating under existing pentilateral agreement, we have no training mission, our end-use inspection facilities are reluctantly accorded, and in general we approach the natl army only through fine Fr filter. As the emphasis of our MDAP program shifts to AS armies and we assume more responsibility for equipping, paying, maintaining them, we shld require something like the direct contact with the client army as we have under MDAP programs other countries. Even if this contact does not involve training programs it will require change in Fr attitudes.

g. We shld need to know from what sources (i.e. direct recruiting, vs. transferers) the men will be raised as well as in what tempo, if we are to know whether army increases represent real rather than bookkeeping transfers.

² Gen. J. Lawton Collins, Chief of Staff, U.S. Army, visited Indochina on October 21-22.

h. We shld have much better information about VM plans and situation and about Chinese intentions than we are now getting from French who have not granted our repeated requests for access to POWs for interrogations, for documents and for timely news on Chinese infiltrations. Closely allied to this field is better cooperation in psychological warfare. We are sometimes at disadvantage in assessing true position because French estimates on VM strength for purpose getting foreign aid and support do not always tally closely with intelligence estimates.

i. There shld be no repetition of instance in which "secret military assistance pact" was concluded between France and Vietnam, fact and terms of which were, and still are, unknown to us.³

j. We shld begin actively considering whether all or part of the material brought in by us for French forces is to be left in the SEA theater for AS armies or to be transferred with French forces when and if they are returned to France. It will be recalled Dept did not wish pentilateral so worded or negotiated as to preclude recapture of material or transfer to other theaters in accordance strategic necessity.

5. We do not believe that our inquiries with respect to French and Viet intentions need be limited military field. For example, we shld use our aid as lever to insure better probity and performance by Vietnam officials, and to insure realistic budgeting.

6. Finally we can not compartment military and political aspects of the activation and commitment of the Vietnamese natl army. If it fails, we cld perhaps afford the loss of the money and the material, we cld less well afford the strategic and psychological debacle of building another Asian army which lost the will to kill Communists of its color and natl. The new army must be equipped with an acceptable ideal and sure morale. The Viet Minh is helping forge this moral by its own excesses, but the men in the new army must also believe they are fighting for their own good and for independence. Way must be found in the present transitional stage of IC independence to make the future real. As our own contribution in IC is indispensable and steadily increases, we are justified in concerning ourselves with the political base of military success; the prospects for democratic institutions, forms of suffrage, admin of justice, the economic and social improvement of the IC masses, the progressive relaxation of the

³Reference is to the secret Military Assistance Pact Between France and Viet-Nam, executed on September 1. Basically, the agreement provided for French assumption of the obligation for organizing, equipping, and maintaining the Vietnamese National Army. France undertook to provide training personnel, material, and financial support. The U.S. Legation obtained a copy of the agreement on January 11, 1952, as the result of a direct request to French authorities. The text was transmitted to Washington as an enclosure to despatch No. 333, January 18, 1952, not printed. (651.51G/1-1852)

police control over individual and civil liberties, the constitution of a govt more representative of the entire country, the definition on viable terms of Vietnam's place in French Union. These are also weapons in this war; their institution in Vietnam may also require close US concern. *End message.*

Sent Dept 852, rptd info Paris 339. Dept pass Defense. Paris pass MAAG.

GULLION

751G.551/10-2151 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, October 21, 1951—10 p. m.

888. ReLegtel 887, October 21.¹ Gen De Lattre returned from Washington, London conf October 19, recd most grandiose reception yet witnessed at air drome with presence of usual honor guard, considerable additional troops, including armored units ranged on apron and outside admin building. De Lattre Constellation escorted to field by flight of MDAP F8F fighters and greeted with fly-past of MDAP privateers and fighters. After reviewing troops and mixed group of functionaries, dipl corps etc., De Lattre eloquently delivered remarks communicated in reftel from manuscript written in his own hand. Delivery acquired some spontaneity since microphone moved from original emplacement and close ring of persons gathered around De Lattre. At close of formal remarks, De Lattre made gracious impromptu gesture indicating me at his right and Gen Brink close by, expressing his appreciation for our assistance during his US visit, stating that we were strong friends of AS and Fr union.

Return to city made under bamboo and palm triumphal arches erected 2 or 3 days before, surmounted with banners inscribed with grateful sentiments, e.g., "deference, gratitude, admiration, affection". These of course prefabricated by info services but possibly significant that year or so ago they wld not have remained standing over night.

In contrast to Pres Huu's reception week ago, which saw school children and other groups Viets placed in formation along convoy route, Viets schools participation this time was ragged or nil and few Viets witnessed although holiday was declared for banks and business houses, which not done for Huu return.

Sent Dept 888, rptd info Paris 351, Hanoi unnumbered.

HEATH

¹ Not printed.

751G.13/11-251: Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, November 2, 1951—7 p. m.

958. I saw de Lattre at his request in Saigon fol our return from De Raymond funeral in Phnom Penh.¹

1. During better part hour De Lattre attacked deficiencies and alleged "dangers" of the Huu regime. De Lattre said Pignon had warned him that Huu was one of worst "canaille" in IC. De Lattre stated he had info, which he indicated came from Bao Dai, that Huu had deposits in IC banks totaling 39 million piasters (nearly two million dollars US at official rate exchange) and probably equal amts in Fr which he had remitted through Chi "black market" channels. Main course Huu's IC deposits were, De Lattre charged, illegal purloining of "secret funds" of FonAffs, Def, interior and Info Ministries which Huu retained in his own hands plus the secret funds he disposed of as Pres of the Council. He asserted Huu also had spent large sums in Fr to obtain support of publications such as *Climats* and of certain unnamed polit figures. Huu had actively and subtly campaigned against De Lattre in Fr. He had to date refused produce budget because details his personal mismanagement and misappropriation of public funds might thereby come to light. De Lattre had finally insisted, however, that delays must end and the budget must be produced by Dec 1. Huu was keeping his FinMin in Paris to lobby for a change in Pau accords to abolish quadripartite bank of issue now being formed and allow Vietnam have its own central bank. This change must not be permitted at present time, De Lattre argued. A quadripartite bank of issue wld allow Fr necessary measure control over Viets spending, legitimate in view tremendous fin sacrifice, Fr was making for Viets independence. In Huu's hands an uncontrolled central bank wld be instrument of graft, personal enrichment and currency speculation. Huu was dangerous not only because of money he controlled but because he was unscrupulous. It wld not be beyond Huu, De Lattre asserted, to hire assassins if De Lattre threatened fulfillment of Huu's inordinate and personal ambitions.

And yet, De Lattre insisted, Huu had to be maintained in office for few months because, for the moment, there was no one capable replacing him and because there must be no "open row" before or during first mtg council of the Fr Union scheduled be held in Nov in Paris. Huu, with all his money, cld cause too much trouble both in Fr and IC if Bao Dai suddenly dismissed him. Only thing to do at present was keep up steady if discreet pressure, and he bespoke aid of Amer

¹ M. de Raymond, French Commissioner in Cambodia, was stabbed to death by a servant on October 29.

Leg, to persuade Huu divest himself of the portfolios of Def, Interior and Info and satisfy himself with presidency of council and FonAffs.

By next Feb situation might develop to point where Bao Dai cld get rid Huu (probably to Emb abroad) and form new govt. Perhaps among Viets Catholics new chief of govt might be found. Catholic governor of Central Vietnam was showing himself to be honest administrator if somewhat narrow. Almost anyone, De Lattre asserted, wld be better chief of govt than Huu.

De Lattre for first time seemed somewhat tired and depressed and said he was sacrificing his health in staying in IC. He stated that if he had any real difficulties with Huu he wld offer his resignation and publicly explain the reason, i.e. the intolerable inefficiency and corruption of the Huu Govt.

Comment: This is first time De Lattre even admitted to me, or to anyone else as far as I am aware, that there was any personality in Vietnam with whom he cld not cope immed or any grave polit problem in which he must temporize. I am not yet certain that his difference with Huu may not be resolved nor am I certain that Huu is quite as black as De Lattre paints him and that he may not reform his practices to some extent. Huu is prudent and ambitious to remain in office.

2. De Lattre had talked with the Cambodian King in Phnom Penh and urged on him a vigorous and straightforward attack on communism and Viet Minh in Cambodia. Commies were clever and implacable and there was very real possibility, he had told the king, that they wld penetrate and dominate the numerous Buddhist priesthood. If that happened Cambodia wld be "lost".

3. De Lattre said he was most pleased with result his interview with the Pope. Fr Ambassador to the Vatican had warned De Lattre that it wld probably be months at best before Vatican wld exert its influence to get Viets Bishops take an unequivocal position supporting Bao Dai Govt and Fr effort IC. De Lattre thought, however, Vatican must have acted almost immed since on his return he had promptly recd expressions support from the Tonkin Bishop Thuc of southern Vietnam. De Lattre thought his difficulties with Viets Catholic hierarchy were now pretty well at an end.

Sent Dept 958, rptd info Paris 378.

HEATH

751G.13/11-1051 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, November 10, 1951—6 p. m.

1006. Huu sent for me yesterday. I listened uncomfortably for an hour to his criticism De Lattre's action and complaints De Lattre's criticisms of himself.

Huu evidently worried, puzzled, and seeking gain sympathy, if not an ally, in his difficulties with De Lattre. De Lattre, he said, indulging in open criticism Huu's admin to Hanoi visitors and even foreign correspondents and this criticism known in Saigon. It not, Huu said, way HICOM shld behave toward chief govt. If he had complaints he shld make them discreetly and direct. De Lattre had complained, according to Huu, that latter had enjoyed too good press in France and was saying to all comers it because Huu had "given millions" to French publications. Huu implied this nonsense but refrained from any specific denial that he had distributed largesse to Fr press.

Alleged that De Lattre also complained his home-coming reception less impressive than Huu's. Huu said that inevitable. People wld not turn out in same numbers for Fr general as they wld for their own govt. In fact, he boasted, chief of police had refused let all people who wanted attend line streets because of danger infiltration VM terrorists. Even so, there people all way from airport to presidential palace.

De Lattre had acted unwisely and improperly in making his speech extolling necessity and virtues Bao Dai and this without advance consultation with Huu. If cause of monarchy to be promoted it not for foreign general to launch campaign. Here Huu showed his anti-monarchial, possibly anti-Bao Dai, leanings by saying that people of Vietnam advanced politically beyond stage of powerful monarchy. Huu's Socialist friends in France had complained to him about continuance of Bao Dai as Chief State and he had replied to them that they must accept it as necessary transitional apparatus. When peace came Viet people wld themselves decide. He remarked that it was, of course, conceivable Viet people might decide in favor of limited Constitutional Monarchy.

He complained that De Lattre had rather rudely urged him to leave Washington immed after former's arrival. Huu said that he had planned stay "incognito" two or three days and during that time it wld have been very proper for De Lattre to have taken him to meet General Collins and other personalities in Dept of Defense. De Lattre had told him, however, that Amer Govt wished Huu leave Washington during De Lattre's visit. I interrupted here to say that, of course, he knew that neither I nor any other Amer official had suggested he leave Washington during Gen De Lattre's visit but I felt called upon to say that it might well have been somewhat embarrassing for Huu if he had stayed. While De Lattre not guest of US Govt but of Joint Chiefs Staff in recognition his services as allied commander during World War II, his visit and publicity had been aranged long in advance. Huu's visit unplanned and unexpected. In gen, Fon Mins visit foreign capitals only when advance arrangements had been taken to insure there wld be no competition with other visiting personalities or official events.

Planned program and publicity for De Lattre's visit and inevitable lack public attention on Huu due to absence of Secy State and other high officials during Huu's unplanned visit might have been found invidious by Huu and Viets.

Huu very carefully refrained, I thought, from recounting De Lattre's allegations of Huu's alleged appropriation secret funds of several mils which he heads, and I naturally refrained, at this juncture, from bringing up at his charge. I told Huu that in my last conversation week ago De Lattre had expressed anxiety over progress of mobilization but had quite clearly intimated to me his opinion that Huu shld continue at this time to preside over govt. I then went on to say that while I had been glad report that Huu's Govt had extended its auth and had achieved increased public support, that my Govt which contributing substantially to defense and econ and social needs Vietnam, concerned over fact that Viet Govt had not yet published budget. My govt also concerned over fact that Huu retaining so many ministerial portfolios in his own hands. This very heavy load for him and not, we thought, in interests good admin. Huu passed over my remark about absence budget but said, unenthusiastically that while there had been difficulties in finding suitable candidates for ministerial posts that perhaps now with increased prestige his admin he might be able appoint Mins to portfolios he now holds. I added that even appointment of capable Secy Gen of Defense Min wld be step in right direction. I concluded my observations by saying that it very unpleasant position for me to be in middle of misunderstanding between French Viets; that it necessity such hour for Fr reps and Viet Govt and US, as contribute both to Fr and Viet forces, to work very loyally and frankly together. I trusted that he and De Lattre wld be able iron out any misunderstandings. Huu replied that there no "misunderstandings". De Lattre's criticisms intentional but he not sure just what De Lattre aiming at. Perhaps, he said, De Lattre building up excuse to retire from IC. Huu said that De Lattre's habit of threatening, when things not going way he wanted, that he wld throw up his command and High Commissionership. I said I doubted that was De Lattre's intention.

Sent Dept 1006, rptd info Paris 396.

HEATH

751G.13/11-1351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, November 13, 1951—8 p. m.

1016. De Lattre came Saigon from Dalat yesterday noon and sent chief his milit cabinet Gen Cogny to (1) inform me that he seeing

Pres Huu at 1750 and wld like see me afterwards and (2) show me photostat of letter from Viet in Paris to Tuyen ¹ (see mytel 998; rptd Paris 391 Nov 9)² asking him return Paris where he would put him in touch with certain reps Fr polit groups and enclosing copy anti-De Lattre art in *L'Observateur* which he said Huu had inspired. Gen took this as additional proof that Huu conspiring against De Lattre in France since altho Huu had dismissed Tuyen at De Lattre's instigation last summer he keeping in close contact with him.

De Lattre told me had no "row" with Huu but had merely reproached him (1) with having ordered that no mention be made De Lattre or Bao Dai in vernacular press and (2) his continued association with Tuyen. De Lattre showed Huu photostat of intercepted letter to Tuyen. Huu, De Lattre said, had professed be shocked by letter and said that Tuyen's connection with anti-De Lattre campaign in France on Tuyen's own initiative and without any knowledge Huu. De Lattre said he told Huu he believed this statement and observed to him that any such attempt against him in France wld be met by disclosure from De Lattre's archives which wld do Huu's Govt more harm than any Viet campaign cld inflict on De Lattre's support and reputation in France. De Lattre said Huu appeared anxious and was far from frank. They to meet again today.³

De Lattre said that while Tuyen was dangerous man who ought be punished, it impossible take any action against him.

De Lattre said that Bao Dai had stated that Huu shld remain in office for couple months yet. At end that time if Huu wld not agree release portfolios he holds in his own hands and content himself with Presidency of Council and Min Foreign Affairs, Bao Dai wld dismiss him and call on someone—not yet determined—to form new govt. De Lattre of opinion that Huu wld not voluntarily release portfolios he now holds because of personal financial advantage of control their secret funds. In couple months Huu wld, however, be in weak position to oppose dismissal order. To my question whether he had actual proof that Huu personally appropriating these funds De Lattre answered he had definite proof and that total of secret funds Huu now controlled amounted to about ten million piasters a month.

De Lattre then passed in review Viets who now rendering or might be expected render good service as Cabinet Mins. Tri an excellent man

¹ Tran Van Tuyen, former Secretary of State for the Presidency.

² Not printed.

³ In telegram 1030, November 14, Heath reported on the Huu-de Lattre meeting of the previous day. The telegram concluded as follows: "My impression was that Huu thinks he has patched up truce with De Lattre which he hopes to develop into more permanent harmony. Doubt, however, that De Lattre has changed his opinion or intentions regarding Huu which reported in mytel 1016 of Nov 13." (751G.13/11-1451)

but not immed available. He not sure as to honesty and efficiency Vinh, FinMin. He might be all right if he cld be removed from Huu's influence. Tam really first class as Min security. Gov Ly of Central Annam splendid, honest civil servant. He had cleaned up corruption and confusion left by Gov Giao who De Lattre claimed had been billing Govt for 6,000 regional militia when actually his forces amounted to only 2,000. De Lattre thought that Tran Van Kha might give good service altho he admitted his reputation of official honesty controversial. In recent conversation with Tran Van Kha he alleged to me that he had had dip into his own bank account in order that Min Natl Economy cld function with some success.

Present milit operation in north, De Lattre said, had proved very successful and wld be followed, he indicated, very promptly with other local offensives. He must content himself with local small offensives for present time until completion, about Feb 15, 1952, of defense "redoubt" in Tonkin Delta. Thereafter he wld dispose of additional 25 battalions for his mobile reserves. Fr had, he asserted, reliable reports that morale in VM forces dropping and that Ho's prestige and popularity waning. If Chi Commies did not directly invade De Lattre felt utterly confident that in one year he wld have completely eradicated VM from South Vietnam and completely freed and secured Tonkin Delta and that by spring 1953 VM revolt wld have been stamped out.

Sent Dept 1016, rptd info Paris 399.

HEATH

Department of Defense Files

*Memorandum by the Chief of Staff, United States Army (Collins)
to the Joint Chiefs of Staff*

[Extract]

TOP SECRET

WASHINGTON, 13 November 1951.

VISITS TO YUGOSLAVIA AND OTHER MDAP COUNTRIES ¹

D. INDO-CHINA

21. After an excellent briefing by General de Lattre's headquarters in Saigon, we flew to Hanoi. The next day we flew over a large part of the defensive perimeter in the River Rouge delta. This amounted to a detailed aerial reconnaissance of the series of organized strong

¹ Gen. J. Lawton Collins, Chief of Staff, United States Army, visited various Mutual Defense Assistance Program recipient countries in Europe and Asia during the month of October 1951. He was in Vietnam from October 21 to October 23.

points being constructed around the perimeter. I was greatly impressed with what I saw.

22. General de Lattre has carefully analyzed the terrain and is basing his defense of the vital delta area on checking any Communist assault by means of organized positions, and then following up with strong counterattacks by mobile forces.

23. Great and effective use is being made of airborne battalions in the gradual process of eliminating Vietnam guerrilla forces within the delta area. Heretofore, guerrillas when attacked have melted away into the hills. Now General de Lattre employs parachute battalions to cut off their lines of retreat. This is proving to be very effective.

24. Unless the Chinese Communists, perhaps under the guise of volunteers, enter Indo-China, the French and Vietnam forces should be able to hold Indo-China indefinitely.

25. From what I saw of the Vietnam troops, I believe the French are making genuine progress in building up the native forces. However, it will be some years before the Vietnamese will be competent to defend themselves.

26. No visitor to Indo-China can fail to be impressed with the fact that this is largely a General de Lattre show. His personality, drive, and energy, and his undoubted integrity dominate every aspect of the operations, both political and military, in Indo-China. If anything should happen to him, there could well be a collapse in Indo-China.

27. There appears to be no possibility of removing any sizable number of French forces now in Indo-China. It is well-known that a large part of the finest regular forces of France are now employed there. It would appear advisable, if this is politically practicable, for us to put pressure on the French Government to modify the laws which prohibit the sending of compulsory service men to Indo-China in order that some of the Regulars could be released to aid in building up the French NATO forces.

28. My final impression is that as long as de Lattre is in Indo-China, we should continue to extend military and economic aid in order to check the spread of Communism in Southeast Asia.

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751G.5/11-1951

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL

NEW DELHI, November 19, 1951.

No. 1107

Ref: Department's Airgram Control 1021, October 8, 1951, 4:10 p. m.¹

Subject: General de Lattre's Remarks on Indochina; Question of Approach to Government of India to Accord Recognition to Associated States.

In reference to the above-cited airgram, the French Embassy has informed this Embassy that General de Lattre's remarks of September 13 and October 3 on Indochina were disseminated locally by means of an information release of the French Embassy. In view of this action on the part of the French Embassy, it appears unnecessary to draw the attention of the Indian Government specifically to the remarks of General de Lattre.

The Department is aware that the Government of India is not disposed to grant recognition to the Associated States, but professes to continue to regard them as nothing more than puppet appendages of France. This Indian attitude toward the Associated States was most recently revealed in the negotiations between the United States and India relating to the signing of the Japanese Peace Treaty, when India called for exclusion of the Associated States from the San Francisco Conference. The Embassy has not observed any change in the official Indian attitude since that time. Indeed, in his recent foreign policy utterances, while not referring specifically to Indochina, Prime Minister Nehru has indicated clearly that there has been no fundamental change in Indian foreign policy. The Embassy accordingly considers that an approach to the Indian Government to reverse its policy would be unproductive at this time. The Embassy will watch future developments carefully, however, in the hope that a suitable opportunity may arise to press for a change of the Indian position.

For the Ambassador:

EVERETT F. DRUMRIGHT

Counselor of Embassy (Political)

¹This circular airgram, transmitted to U.S. Embassies in six Asian countries, requested each Ambassador to report on the advisability of another approach to the government to which he was accredited regarding possible diplomatic recognition of the Associated States (751G.5/10-851).

751G.00/11-3051 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, November 30, 1951—8 p. m.

1113. Fol based on Leg officer interview with Perrier, chief Fr *Sûreté*:

1. During last 48 hours Viet police services in cooperation Fr *Sûreté* and backed by squadrons Fr tanks, have been conducting operations in Saigon for sequestration of members Cao Dai-Binh Xuyen offices and staffs this city.

2. Measure officially described as elimination of "certain disturbers of peace" and only 15 persons said to have been arrested. "Pretext" according Perrier is examination papers and arrest of those illegally bearing arms or not registered with census. Actually some 200 held in custody. No local press mention of Cao Dai-Binh Xuyen elements. All fon correspondents desps censored.

3. One or two instances violence admitted. Binh Xuyen, whose principal stronghold is south and eastern parts city below canal sent group to cross canal to rescue member held at police station. Fr tanks denied passage of bridges with some firing but assertedly no bloodshed. Binh Xuyen dispersed at order Fr officer. This morning alleged member Binh Xuyen killed by police for failing answer summons. Binh Xuyen then attacked to rescue body; Fr and Viets took it back, according Perrier, without further bloodshed.

4. Binh Xuyen chief, Col. Bai Vien, protested Bao Dai who told him keep calm cool, took no action. Perrier unable estimate how many Binh Xuyen he may have to deal with. Cao Dai headquarters overt and well established numbering about 200 persons.

5. Consider police action directly from De Lattre. According Perrier, De Lattre in recent interview told Cao Dai pope cease trouble-making or he wld find "Fr did not have any need of him". Perrier claimed Fr and Huu Govt do not fear repercussions among Cao Dai generally or among Binh Xuyen. Claims that police action not immed provoked by Col. The "third force" activities but that investigation may show Cao Dai backing of latter. Two members Phuc Quoc Hoi polit branch of Cao Dai serving as "Cao Dai research Bureau" claimed arrested. Perrier says he as well as Cao Dai Gen Thanh have been told De Lattre will not tolerate their disaffection indefinitely and that both are fearful.

Leg comment: Police action further moved De Lattre policy break up para milit sections, clandestine parties.

Both Cao Dai-Binh Xuyen exercised quasi police and strongarm auth parts of city but this long standing and tolerated or encouraged by Fr since period when policy was use local groups with inside knowledge VM to piece out inadequate Fr milit and constabulary forces. Due to dissidence of The, Cao Dai not previously charged with misuses power but Binh Xuyen organization has many aspects gang politics in that revenues derived brothels, gambling houses, various rackets and "protection".

Perrier claims Bao Dai recently gave Binh Xuyen lucrative "Grande Monde" gambling concession without inviting public offers. This juicy pie previously awarded quarterly fol adjudication. Previously Perrier able know how much VM and Vietnam officials get as rake-off but claims this now impossible and that he cannot infiltrate Binh Xuyen. He thinks Bao Dai leading beneficiary "Grande Monde" operations (see Legdes 18 Sept 27, 1951).¹

While true some para-milit organizations have gangster characteristics, also true that some sincere natlists adhere to them in absence assemblies, elections, polit parties or other forums. Practically impossible for opposition polit parties exist except clandestinely, as result no party strength behind current govt.

De Lattre-Tam action risky but probably taken because of growing strength "third force elements" and with confidence that efficacy and strength Tam organization freed them from dependence on dubious elements. Perrier says success in breaking up Dai Viet encourages him believe police action can be carried through without unmanageable repercussions. Huu and Bao Dai undoubtedly support move but latter has expressed fear that De Lattre may move too quickly against armed bands.

Sent Dept 1113; rptd info Paris 443, Hanoi unn.

HEATH

¹ Not printed.

851G.00R/11-3051 : Telegram

The Consul at Singapore (Goodyear) to the Secretary of State

SECRET

SINGAPORE, November 30, 1951—11 a. m.

613. Dept pass ECA. To Bissell ¹ from Griffin.²

1. US econ aid program Viet basically on right track for US objectives and shld be contd as orig conceived. Those objectives remain

¹ Richard M. Bissell, Jr., Acting Administrator, Economic Cooperation Administration.

² R. Allen Griffin, Special Far East Representative of the Economic Cooperation Administration since November 9, was on a tour of ECA missions. He had visited Indochina prior to his arrival in Singapore.

sound and practical if new govt is to be supported in policies necessary to build loyalty and appreciation among population. However, I believe it is necessary for US clearly to realize the greatest impediment to success of US program and attainment objectives is nature of present Huu Govt, its lack of vitality and public leadership, its lack of enthusiasm for progressive progress that wld improve the gen welfare of peasants.

2. We are dealing with able land owners—mandarin type—functionaire govt. Its weakness is not that it is subordinate in many ways to Fr but that it is in no sense the servant of the people. It has no grass roots. It therefore has no appeal whatsoever to the masses. It evokes no popular support because it has no popular program. It has no popular program because nature of its leaders tends to an attitude that this wld be a “concession”. This govt might reluctantly try to mollify public opinion, but it does not consist of men who wld lead public opinion. Therefore though France-Vietnam Armed Forces may cont to win small engagements for ltd objectives, no real progress is being made in winning war, which depends equally on polit solution.

3. It has been perhaps error in judgment in believing essential struggle has been between the constricting polit influence and pressure of Fr—which undoubtedly still exists and patriotic effort of Viets to win increasing degree of independence. Perhaps the essential struggle is one not undertaken—which is to get grass roots ability, conviction and patriotism on behalf of people of Viet into the govt. So-called independence Huu Govt represents means nothing to masses. It simply means a change of functionaires, not a change of social direction, not a drive to advance lot of the people. Revolution will continue and Ho Chi-minh will remain popular hero, so long as “independence” leaders with Fr support are simply native mandarins who are succeeding foreign mandarins. The period of mandarin and functionaire govt in Asia is over. The present type of govt in Viet is a relic of the past as much as Fr colonialism.

4. I believe this predicament is now fully realized by Fr. There is little doubt of fact they know they are fighting war that cannot be won without a polit solution, and the polit solution depends at least as much upon the relationship of Govt of Viet with masses of people of Viet as upon the relationship with Fr on subj of independence. The issue in Viet, in my mind, is more than nationalism and Franco-phobia. It is old Asian issue that destroyed the Kuomintang in Chi, Communist opportunity to exploit insecurity, and hunger and wretchedness of masses of people to whom their govt has failed to make an effective appeal. The Hun Govt makes no such appeal. Its heart is not in that kind of appeal. If it talked land reform it wld never be believed. It is my opinion that Fr are now fully awake to this

predicament. They realize that their interests are not being served by a Viet Govt that not only has no appeal to masses but that has no program and perhaps only doubtful sympathy for masses. Such condition will not help the Fr to extricate themselves from the milit burden. Nor will it help US to lessen the load of increasing costs the Fr require us to share. It is my opinion that we shld consider this problem jointly with the Fr, to the end that a govt with some grass roots instincts, intentions and social purpose may result.

5. It may be pointed out that US is now engaged in massive milit assistance in Indochina and an econ program of great potential social and polit impact. Fr are insisting on an even greater Amer participation in Fr costs of defending this semi-independent state. US has paid for right to exercise stronger voice in determination of policies. Fr failure to achieve satis polit results out of compliant, obedient land-owners nonreform Cabinet may now make possible a practical and far-sighted program for improving polit situation, which in itself awaits improvement of social outlook Viet Govt, a condition now obvious to Fr. I believe Fr are ready for that. If we fail to secure their collaboration for setting up a govt fitted for its job by something better than obedience to Fr, then one day we will discover that the Fr in disgust and discouragement will abandon their attempt to defend this flank of sea.

6. I have discussed this outlook with Heath but did not have time to draft cable before leaving Saigon.

Dept pass Saigon, Paris. Sent Dept 613, rptd info Saigon 20 for Heath (Saigon ECA for Wilkinson [Williamson]), Paris 3 (Paris OSR for Porter).³

GOODYEAR

³ Paul R. Porter, Acting U.S. Special Representative in Europe, Economic Co-operation Administration.

851G.00R/11-3051 : Telegram

The Consul at Singapore (Goodyear) to the Secretary of State

SECRET

SINGAPORE, November 30, 1951—11 a. m.

614. Pass ECA. Eyes only Bissell from Griffin.

1. I have reiterated and emphasized in Saigon no change US policy objectives and basic econ program. While details program show imperfections, particularly in agri, nevertheless am convinced that emphasis on social and econ advancement of rural people must continue first consideration or we might as well abandon both mission and policy of strengthening an indigenous govt or public opposition Commies.

2. Due to continued misapprehension basic purpose MSA¹ in Asia and belief among newspaper correspondents and possibly MAAG, Viet, Fr and even ECA personnel that econ aid is subordinated to milit and only hand-maiden to latter, believe Wash shld reaffirm US polit-social-econ policy Indo-Chi in clear, unequivocal terms. Pls send copy to Griffin.

3. Furthermore I affirm that despite insecurity, great strides can be taken in fulfillment our program by bold energetic directions if Wash backstopping also does truly effective job in recruitment, procurement, policy. We shld not be discouraged by factors we can overcome.

GOODYEAR

¹The Mutual Security Agency, established by the Mutual Security Act of 1951 (Public Law 165, 82d Cong.; 65 Stat. 373), assumed the functions of the Economic Cooperation Administration effective December 30. Documentation on the Mutual Security Program is scheduled for publication in volume 1.

793.5851G/12-351 : Telegram

The Acting Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, December 3, 1951—6:10 p. m.

746. Dept increasingly preoccupied question disposition Chi Natls internees Vietnam. Recent reports from Saigon (tels 1083 and 1084 Nov 26)¹ that many internees have escaped to VM has furthered our impression that Fr shld again be urged reconsider wisdom their present policy.

In the past we have appreciated Fr reasons for adhering to principles internatl law in disarming and interning refugees on grounds that any other course might provide provocation to Chi Commies. We have since had reason to revise this estimate and are now of the opinion that the Chi Commies future action re IC wld not be influenced one way or another by Fr policy toward internees.

Moreover we are influenced by two other considerations: (a) it wld be desirable to relieve already overburdened Fr treas of cost of maintenance; (b) recent unverified reports, largely of Chi Natls origin, claiming increasing desertions to VM. If these reports true and supposition accurate that internees join VM as means escaping camps conclusion that Fr policy had reached point of diminishing returns wld be justified.

We are not prepared to advocate repatriation to Formosa to Fr at this time for we appreciate the complications of such an operation and the Fr desire to draw as little attn to matter as possible. It is

¹ Neither printed.

Depts opinion however that all practical means of liquidating internment camps and official obligation of Fr Govt to maintain internees shld be considered. Wld it not be possible to determine what if any portion of internees might wish to "volunteer" to join Franco-Viet units and then turn balance loose in Cholon, Haiphong or Hanoi where most part wld, as Gen de Lattre himself observed while in Wash, melt into the local Chi communities readily enough. Altho we wld not seek to oversimplify the feasibility such procedure we wld consider facing even its complexities preferable to present policy of supporting open sore which benefits no one but VM.

In considering above you are reminded that US not willing assume responsibility, in whole or in part, financially or otherwise, for internees.

Paris tel 3025, Nov 20,² attesting to de Lattre's expression "for time being" might indicate that alternatives to present policy are being considered.

Suggest appropriate official Emb Paris sound out de Lattre this subj and urge reconsideration upon him for decision wld appear rest with him personally.³ At same time Leg Saigon explore question locally with both mil civ auths and Chi Natls officials.

Sent to AmLegation Saigon 746, AmEmbassy Paris 3301.

WEBB

² Not printed.

³ Telegram 3176 from Paris, November 27, not printed, indicated that according to French Foreign Ministry sources, General de Lattre de Tassigny and Jean Letourneau, Minister for the Associated States, remained strongly opposed to repatriation of Chinese Nationalist troops in Indochina (751.551/11-2751).

751G.00/12-351 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, December 3, 1951—10 p. m.

1129. I attended fourth graduation ceremony Viets Army's officer school at Dalat over weekend, Bao Dai having sent word he particularly wished speak to me.

Bao Dai started off by saying he had heard from De Lattre, but not from Huu, that I had made some oral representations to Huu against latter's retaining key portfolios govt in his own hands instead of appointing efficient mins. I confirmed that I had done so and under instrs (Deptel 612, Paris 256, October 31)¹ and in addition had expressed our concern over failure Viets Govt to produce budget.

¹ Not printed.

Bao Dai said in view our massive support US not only had right but duty criticize and counsel with respect Viet Govt operations. We did not of course have right intervention in purely internal polit affairs but we certainly shld be heard as regards govt operations, admin and aims.

He was gravely concerned over deficiencies Huu Govt and wld apprec our making rather detailed representations persuade Huu correct these deficiencies. He had had Nguyen De, Imperial Cab Dir, prepare for the confidential info of US Govt and myself, paper setting forth accomplishments and weaknesses Viet Govt and the reforms which shld be actively undertaken. He hoped we wld agree with his analysis and representations wld be made in gen accordance paper which he asked not be disclosed to Huu.

Paper (text will be pouched December 5) is unsigned "note"² stating that present Vietnam Govt under aegis Bao Dai had not only restored sovereign attributes lost nearly century ago but had given country in internatl position unknown in its history. It was understandable that govt faced with initial structural tasks had been unable give sufficient attention to operations, institutions and solution natl functional problems. It was now necessary complete "structures" with efficient men and plans of action. Failure do so wld result in public disorder and impotence. Need was for fewer men but more competency; for less govt expenditure and more action. There were too many ministerial "gen staffs"; too much personnel in ministries and not enough in provinces. The "doctrines" set forth in Bao Dai's "msg program" on February 6, 1951 shld be put into practical effect.

Problems requiring immed attention were fol:

1. Govt. Number ministries and secretariats must be greatly reduced thus concentrating admin action and reducing expenditure and because of favorable effect such action on public opinion.

2. Viets Army. While satisfactory results had been obtained, Viets were not playing sufficient role in formation of army.

3. Pacification. Milit action wld have no polit result unless areas freed from communism were immed given efficient and respected admin. Hitherto "exploitation" of liberated areas had been considered police matter. Problem must be in hands of a min who shld have full police and admin powers.

4. Economic policy. There was no clearly defined and coherently executed econ policy an essential plank of which wld be an energetic struggle versus rise in prices and salaries. Latter depended entirely on price rice and which shld be held firm by limiting rice exports.

5. Social policy. Agrarian reform was logical sequence of "pacification" and wld help draw peasant masses from communism. This reform must be undertaken with prudence and respect for legitimate property rights.

² Not printed.

There must be an effective labor policy insuring progress for workers; taking into acct however the social characteristics Vietnam and facilities which trade-unions offered for expansion communism. There shld be energetic Ministry Social Action absorbing functions present Ministries of Public Health, Youth and Sports and Labor.

6. Fiscal policy. Absence of any budget for 1951 harmed Vietnam's reputation abroad. Budget was in effect basis natl life and measure aptitude for self-govt. Exaggerated salary expenditures was principal obstacle. Energy which govt wld bring to bear through simplification admin machine and reduction unnecessary functionaries, particularly in ministerial categories, wld give exact picture to friendly states of esteem and aid which Vietnam deserves.

Bao Dai said Huu cld remain provided he executed necessary reforms though if Huu failed or refused he must be replaced. Bao Dai observed personality of Prime Min was less important than having the right men in key ministries. He asked me to have talk with Nguyen De, Dir Imperial Cabinet, who wld give details re governmental deficiencies and necessary reforms. In conclusion he repeated his entire confidence in good faith of Gen De Lattre. The latter was, however, surrounded by functionaries of the old regime who simply cld not change their point of view that prime aim was maintenance of Fr influence and control in Vietnam. They had and always wld subtly undercut clear commitments of De Lattre and the Fr Govt with regard to Viet independence. Thus shortly after de Lattre's speech extolling the necessity of the rule of Bao Dai as chief of state and in effect recommending monarchical government for Vietnam, Gautier had sent word to Huu and Bao Dai that this statement "exceeded" Fr Govt policy. In a second interview when I presented Robt A. Smith member edit board *New York Times* and Larry Allen, new AP correspondent, Bao Dai expressed conditional optimism over the fairly rapid defeat of Viet Minh whose morale was decaying provided China did not send in actual combat troops. The Viet Minh "govt" in the north had very effectively concealed from Viet Minh forces in the south that Communists had taken over. If and when southern adherents learned that Viet Minh was now a Communist show they wld quickly "rally" to the legit govt.

Following talk with Bao Dai, had conversation with Nguyen De account of which given my desp No. 281 of December 3.³ De felt sure Huu wld agree undertake governmental changes and reforms, particularly if US made effective representations to that end. Huu wld, however, endeavor subtly to delay and thwart such reforms in the interest of retaining and increasing his personal power. Huu was a

³ Not printed.

difficult man to replace. He was a dignified figure, of irreproachable private life, immense persistence and industry. While thirsty for increased power and autocratic, he was really more of a democrat than men like Nguyen Van Tri and other Vietnamese of mandarin backgrounds. Huu came from the people and was fundamentally anti-monarchist. Another difficulty in replacing Huu was Bao Dai's conviction that in present stage Prime Min must come from Cochin China. There was no other Cochin Chinese available at present except Tran Van Kha who had reputations being "affairiste" (someone looking for government graft) although he had ability and certain good qualities. Neither Bao Dai nor De confirmed Gen De Lattre's accusations of Huu's dishonesty in office. Bao Dai said that was not the issue and if necessary reorganization of govt made wld be little opportunity for any substantial misapplication of "secret funds". At end of the conversation De fairly subtly intimated, I thought, that he might meet the requirements as successor to Huu. Although he was from Annam he remarked he had many ties in the south and so many friendships and associations in Cochin China that he was practically regarded there as a fellow Cochin Chinese. He also intimated that Bao Dai himself must set the example of governmental economy.

In conversation with Acting High Comm Gautier ⁴ upon my return from Dalat I mentioned I had had some gen conversation with Bao Dai regarding reorganization and improvement of efficiency of Vietnam Govt; that Bao Dai had expressed approval of my oral observations to Huu regarding over-concentration of key portfolios in his hands and that there had been some intimation that further and more detailed representations from Leg along this line wld be helpful and agreeable to Bao Dai. Gautier said he thought for time being my previous remarks to Huu were all that was required; that the next step shld be taken by Bao Dai himself without Fr or Amer help. Bao Dai shld call in Huu and summon him to institute the necessary reforms which were indeed urgent. He remarked that Bao Dai naturally preferred to avoid directly taking Huu to task but that it was his duty as chief of state and not to be delegated to outsiders. There wld be no objection to Bao Dai's mentioning the Fr and Amer concurrence as to the necessity of certain reform measures.

Leg will comment in near future with respect to Bao Dai's paper and means of possible approach to Fr and Vietnamese.

Sent Dept 1129, Paris unnumbered, Bangkok unnumbered.

HEATH

⁴ General de Lattre de Tassigny had departed for France on November 19. He died of cancer in Paris on January 11, 1952.

751G.551/12-551 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, December 5, 1951—6 p. m.

1137. Gen Cogny, De Lattre's chief Milit Cabinet, returned Saigon today to be present during visit Admiral Radford.¹ Cogny denied, and with good appearance sincerity rumors reports current in Saigon and Paris that Fr Govt extremely worried over IC problem particularly in view of De Lattre's critical physical condition; that De Lattre not returning to IC and that De Lattre now despaired of victory.

Cogny told me that was first thought De Lattre wld have to suffer operation on leg as result of old war wound but was now decided operation unnecessary. Doctors had ordered De Lattre, however, to get some rest and he was obeying doctors orders. De Lattre and Fr Govt fully intend De Lattre return to IC in Jan and Madame De Lattre accompany him. Cogny expects him stay three active months in IC unless his physical condition becomes unexpectedly worse, there after return for brief rest in France. Cogny scoffed at rumors that Le Tourneau was candidate for High Commissionership Indochina. He said in case health of De Lattre worsened unexpectedly and Le Tourneau might consent as matter of duty to take over temporarily work of High Commissionership but he did not want the job. If such an emergency arose Le Tourneau wld not use title of High Commissioner but wld retain his portfolio of Min AS temporarily taking up residence in Saigon.

Cogny insisted that De Lattre still confident that within 15 to 18 months the VM rebellion cld be essentially stamped out provided Communist China did not send in troops. Latest figures on Chinese troops concentrated South China cited by De Lattre in his speech before High Council Fr Union² were two [garble] thousand Chinese regulars and 120,000 provincial militia in the southern Chinese border region. Cogny did not define depth of this region.

Cogny said that De Lattre had been formally promised by Pleven that even if the general Fr budget were not ready there wld be special budget for IC by Jan 1. The budget wld not be as large as De Lattre had requested but wld be, Cogny said, sufficient to carry on with.

With regard to the meeting of the High Council of the Fr Union, Cogny said Huu and Viet Legation were acting very reasonably and correctly. The Cambodian Leg had caused few difficulties but not on

¹ Adm. Arthur W. Radford, Commander of the U.S. Pacific Fleet, visited Vietnam from December 6 to December 9.

² The first meeting of the High Council of the French Union was held in Paris, November 29-30.

any important issues. The New Laotian PriMin Souvanna Phouma had made good impression.

Sent Dept 1137, rptd info Paris 442.

HEATH

751G.13/12-751 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, December 7, 1951—4 p. m.

1147. Re Legtel 1006, rptd Paris 396. Acting High Com Gautier today told me Bao Dai had spoken to Aurillac of High Comm of my conversation with him (Legtel 1129, Dec 3). Bao Dai asserted it wld be necessary when he summons Huu to undertake necessary govt reforms that he shld have in his hands a copy or an excerpt of a State Dept instruction expressing concern over (1) concentration of key ministries in Huu's hands and (2) absence of budget. Gautier said he now believed that it wld be well to give Bao Dai proper ammunition which he might profitably use in getting Huu to reform the Viet governmental set-up but assumed that we would not regard it as proper to write the Sovereign direct in such matters nor give him excerpts of official instructions from Washington to me.

I told him this was my view but in case my govt shld decide to make observations in writing to the Viet Govt with reference to its organization and performance, particularly its failure to prepare a budget, I assumed that a copy of the latter might conceivably be forwarded to Bao Dai for his info.

Comment: Bao Dai's approach somewhat inconvenient since it has appearance of asking us assume his responsibilities to assert auth by his own govt. Moreover, Bao Dai's memo (on which Leg will comment further) not exhaustive or profound. In presenting only two points to Huu, we might appear in position of rejecting others. Nevertheless, our concern with certain inadequacies of Huu Govt antedates Bao Dai's *démarche*, is valid in its own right, and I wld appreciate instructions authorizing me to present a note to Huu at least on the necessity of producing a budget and perhaps on desirability naming capable full time ministers to such important portfolios as defense. This shld not preclude subsequent representations on a broader range of Vietnamese governmental problems. I shall thank Bao Dai for his communications but tell him that a number of his points will require further study by us. As he knows, questions of budget and the ministries have been of concern to us for some time and we may express our interest in them more concretely. I shall tell Bao Dai I assume he will present his own views to his Prime Mins.

Sent Dept 1147, rptd info Paris 443.

HEATH

751G.5-MSP/12-951 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, December 9, 1951—4 p. m.

1156. Re Singapore tels 618 and 621, Nov 30.¹

1. As Dept aware, I have for some time been concerned re inadequacies Huu Govt and I welcome Griffin corroborations. I am also pleased register my concurrence with his finding that present STEM programs fundamentally sound in this trying situation.

2. I am not sure, however, when Griffin speaks of govt with grass roots he means Cabinet nominated by present methods but including agrarian and popular leaders or whether he has in mind govt clothed with some popular mandate based on development forms of popular consultation. As to former, I doubt that much can be done at this time outside possible Catholic participation and acceptance of post by Tri, even this wld be limited advance since Catholics are minority sometimes suspected of too much western orientation and Tri, in entering govt, wld have to swallow disgrace and suppression his Dai Viet backers, who altho in sense "grass roots" have Asiatic fascistic, exotic, secret society aspects.

3. Fact is that no leaders with "grass roots" support presently known who wld join govt constituted on basis existing Franco-Viet relations and if there were such persons, doubtful if Fr wld accept them or that they wld be proof against Asiatic neutralism or Viet Minh infiltration. Fr know this which accounts for their quandary about replacement for Huu.

4. If by new govt Griffin means Cabinet emerging from some kind of popular suffrage, this difficult so long as polit life circumscribed by polit emergency. Time may be approaching for emergence parliamentary forms but it wld have been premature to force this development before beginning Natl Army, before armature govt machinery created at Pau, and before Fr adequately conditioned to idea they fighting in IC for something more than Fr supremacy. Process cannot be accelerated at cost threatening line of communications or weakening efficacy Fr forces. For example of process by which polit institutions may now be developed, I may cite interrelation of pacification, census, mobilization and elections: In pacified areas new census brings govt and people together in non-controversial relationship; helps accustom masses to central govt hegemony; prepares mind for mobilization; conscription (in very limited form) further develops relationship; its admin establishes which are as amenable to govt auth, develops local

¹ Neither printed.

govt machinery, helps provide security within which elections can eventually take place.

5. I believe it at least incomplete to imply that Fr appreciate predicament of govt as crisis of popular support which they never expected. Their criticisms govt have been directed almost exclusively to Huu, his misuse funds, concentration of Ministries, and alleged intriguing in France against De Lattre and Mar 8 framework.

6. Huu Govt has some solid accomplishments to its credit in addition to deficiencies accurately observed by Griffin. It has created beginnings Viet public admin, has improved security and public order, has survived first mobilization in country's history, and has made various plans for econ and social reforms. With respect to land reform, reftels do not credit efforts already made by Huu Govt (see Legdesps 691 and 123 June 7 and Aug 31, 1951).² Govt decrees now fol policy of letting displaced persons and squatters remain on liberated land, holds out hope of compensation landlords. Problem here not land redistribution so much as agrarian credit for acquisition land, financing crop, shaking off usurer. Govt has plans which like all else here depend on increasing revenues. US econ aid might help rebuild farm credit institutions.

7. I entirely agree our aid entitles us to special role in IC and govt performance can be improved by our representations to Viets and Fr. We can ask or require Viets to produce budget, increase govt revenues, curb graft, fol through on land reform, and display more energy. Our approach can be coordinated with Fr on all these matters. We may also wish ask Fr for measures to curb IC disinvestment, to admit Viets to greater measure ownership their crops, to increase area polit liberties, and to accelerate native command staffing natl armies. Entire process must be worked out among three of us with patience and forbearance.

8. Re De Lattre's alleged anti-Americanism, Dept and Leg aware Gen's irascibilities which spring perhaps in part from his immense concern for Amer opinion and support. Infinite tolerance required and justified in view of contributions De Lattre has made and can still make. Leg has not and will not refrain from demanding proper treatment for Amers and recognition our position in IC. His trip to Washington has resulted in De Lattre's better understanding our programs and intentions. I believe we now have measure Gen's fears and misapprehensions and that we need not be too worried about them.

Sent Dept 1156, rptd info Bangkok for Griffin 46, Paris unn.

HEATH

² Neither printed.

751G.13/12-1151 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, December 11, 1951—8 p. m.

3491. Saigon tel 1147 December 7 rptd Paris 443. Emb agrees with Saigon that US Govt shld not put itself in position middleman between Bao Dai and his own PriMin in effort have Vietnamese Govt do things it shld. Emb does not believe that US Govt shld adopt paternal role vis-à-vis Vietnamese Govt in attempting offer advice or exerting pressure unless such advice or pressure can be related to US mil and econ assistance. US aid program does provide lever which can be used.

It is Emb's view, therefore, that any approach made to Vietnamese Govt shld be on basis US Govt desire and expectation see its aid utilized effectively. On that basis we wld be justified in expressing concern and interest re question of budget, which has definite bearing on US aid, and re post Min Def, which can be related to formation national army as latter dependent to considerable extent upon US matériel. Expression our concern and interest wld seem to require some fairly plain talk and not just reading of lecture, which cld be listened to and ignored with same degree politeness.

Emb assumes that prior to any such approach Leg wld wish discuss matter with French authorities Saigon in order avoid any misunderstanding or misinterpretation that we were assuming supervisory role over Vietnamese Govt directed toward supplanting French.

Sent Dept 3491, rptd info Saigon 187.

BRUCE

751G.13/12-751 : Telegram

The Acting Secretary of State to the Legation at Saigon

SECRET

WASHINGTON, December 12, 1951—5 : 39 p. m.

788. Urtel 1147. Upon Huu's return Leg is authorized present note explaining US views re continued failure of Vietnam Govt to draw up budget and difficulty this presents for US Govt particularly in dealing with matters of econ aid. Tactful attn shld also be drawn to fact that continued absence of full time Min of Defense also presents difficulties in connection with US mil aid. Note shld refer to previous conversations with Huu this subj and statement made that it is being presented upon instructions ur Govt in order to reaffirm views expressed verbally on past occasions.

Copy shld be given Bao Dai for whatever use he chooses with Huu. This wld serve double purpose of formalizing US views while at

same time satisfying points made by Emperor in his recent "note" (urtel 1129 Dec 3).

Sent to AmLegation Saigon 788, rptd AmEmbassy Paris for info 3451.

WEBB

793.5851G/12-1851: Telegram

The Minister at Saigon (Heath) to the Secretary of State

SECRET

SAIGON, December 18, 1951—10 a. m.

1220. Legtel 1083, November 26¹. Fol receipt disturbing reports re internee desertions Phu Quoc Island Gen Hwang Chieh² and Fr representative have made independent journeys island to ascertain facts. Conditions now appear better than previously described. Hwang Chieh has stated to Leg that upon his appeal to deserters return camps approx 100 who had remained on island heeded request, while ltrs have been recd from Cambodian mainland deserters stating the desire rejoin fight against Communism but not remain idle and uncomfortable in internment camps. Fr rep has substantiated Hwang's statements.

Solutions internee problem proposed Deptel 746, December 3 appear Leg impracticable. Re internee volunteers Fr Union forces, Natlist commanders wld surely never agree this owing fear subsequent dispersal their units with resentment loss own commands as well as slim credit they believe wld accrue Natlist troops operating under Fr flag. For Fr part, Chi Nats wld probably not be regarded as acceptable Fr Union armies because (1) Fr interpretation internatl law prohibiting such move, (2) purported scarcity liaison officers assignable Chi troops, (3) ill feeling which wld probably develop between Chi and Viets components union forces. As for proposal Chi Nats "melt" into large Chi communities IC, Leg fears maneuver wld hardly be successful. Large majority internees are not from Kwangtung, Chi province most heavily represented by local overseas Chi, but rather from North Kwangsi, Yunnan, Hupei and even Hopei provinces. They have few relatives IC, little commercial or artisan experience and no capital. Moreover, Viets belief is that Chi already resident IC are too numerous. 30,000-man increment wld hardly be acceptable to Viets Govtal, or public opinion. Finally, of "melt" doubtless more than few wld for reasons necessity if not conviction find way cooperate with Chi Com elements IC.

¹ Not printed.

² Commander of interned Chinese Nationalist troops.

Altho internee situation appears momentarily improved, potential gravity as well as actual expense Fr suggests some early action. Leg remains of view best solution wld be that of unpublicized repatriation Formosa internees in small groups, ships and funds to be furnished by Chi Nat Govt. Local Nat auths have frequently expressed to Leg certainty that Nat Govt wld gladly send shipping and defray repatriation costs. Possibility even exists that internees might "escape" in small lots from camps and board Nat ships offshore, procedure not without historical analogy.

By whatever means, Leg wld counsel earliest treatment of what Dept aptly describes as this "open sore which benefits no one but VM."

Sent Dept 1220, rptd info Paris 466, Taipei 42, Hong Kong 101, Hanoi unnumbered.

HEATH

751G.5-MSP/12-1451 : Telegram

The Secretary of State to the Embassy in France

SECRET

WASHINGTON, December 19, 1951—2:59 p. m.

3569. For Bruce from Lacy. Urgency sit described Embtel 3568 Dec 14¹ emphasized to Defense which assures us they are making special effort complete delivery on all items. Acting on info provided by Fr Emb Wash Dept emphasized greatest need IC is for trucks, automatic weapons and radio equipment. Defense assures us that all transportation equipment will be delivered IC by Dec 31 in a number exceeding that promised Gen de Lattre. Special efforts on other items which are in particular short supply are continuing.

ACHESON

¹In telegram 3568 from Paris, Ambassador Bruce stated the following: "LeTourneau, Minister for Associated States, asked me today to advise Washington French Government would be most grateful if speed of end item deliveries Indochina cld be accelerated. DeLattre had talked to him today reporting that present Viet Minh battle was serious and was chewing up equipment fast. Can you give me any info on this subject which might be useful?" (751G.5-MSP/12-1451) From mid-November 1951 to February 1952, heavy fighting occurred in the area of Hoa-Binh, southwest of Hanoi, and elsewhere in northern Viet-Nam.

751G.00/12-1951

Memorandum by the Acting Assistant Secretary of State for Far Eastern Affairs (Allison) to the Secretary of State

TOP SECRET

[WASHINGTON,] December 19, 1951.

Subject: Chinese Intervention in Indochina

In view of the ominous character of intelligence reports concerning a Chinese preparation for massive intervention in Indochina, it is

suggested you may wish to make some brief reference to the Indochina situation at the meeting of the National Security Council on December 19.

In this connection you might say that intelligence reports emanating from Taipei, Hong Kong, Bangkok, Hanoi and Saigon would indicate that the Chinese Communist capability of effecting a massive intervention in Indochina and perhaps Burma has increased significantly. It is reported that there are at present some 200,000 Chinese Communist troops in Kwansi province prepared to move on Indochina as "volunteers"; that the volume of matériel assistance from Red China to the Vietminh has increased; and that rail and road communications between Kwansi province and Tonkin have been put in good working order. The consensus of intelligence reporting would indicate that action on a large scale against French Union and Vietnam forces in Tonkin may be expected on or about the 28th of December. Embassy Paris, meanwhile, reports that Messrs. Pleven and Monnet have expressed to our Ambassador grave doubts as to the ability of the French to continue the war in Indochina unless further assistance from the United States is immediately forthcoming. We have asked Embassy Paris's opinion as to the unpleasant possibility, which we have long feared, that the French may be preparing to withdraw from Indochina.

It is therefore suggested that the NSC direct, as a matter of urgency, that a staff study be prepared with a view to determining what action this government can take in the event of Chinese Communist support on a large scale of the Vietminh forces either overtly or by means of "volunteers".¹

¹ Action 597, taken by the National Security Council at its 110th Meeting, December 19, indicates that the Council discussed the situation in Indochina in light of possible Chinese Communist intervention, and, at the suggestion of the Secretary of State, directed its Senior Staff to expedite preparation of a report on U.S. policy toward Southeast Asia, with particular reference to possible courses of action regarding Indochina (S/S Files: Lot 62D1).

751G.00/12-2051 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET

WASHINGTON, December 20, 1951—8:15 p. m.

3613. In view volume and character intelligence reports foreshadowing massive Chi intervention IC in Dec or early Jan Dept believes it desirable to determine anew action Fr Govt plans to take in UN in such contingency. Fol are questions to which ans are useful: ¹

¹ Embassy officials transmitted the substance of the questions to the French Ministry of Foreign Affairs in a memorandum of December 22, not printed. (Lot 58F53: Paris Embassy Files)

(a) What will Fr regard as criterion of Chi assault: appearance large number technicians and advisors, volunteers, or nothing less than invasion Tonkin by Chi armies?

(b) Will case be brought to UN by Fr Union, or Chiefs of Assoc States?

(c) What action will UN be called upon to take: declaration of act of aggression, call for UN troops, etc.?

(d) If action proposed to SC is vetoed, do French propose to convoke GA?

(e) From what quarters do French expect support for proposed action UN?

Sent to AmEmbassy Paris 3613; repeated to Am Embassy London 3003;² repeated to AmLegation Saigon 835.³

ACHESON

² An additional paragraph to the London message only read: "Pls inquire FonOff views problems raised foregoing."

³ An additional paragraph to the Saigon message only read: "Emb London to determine FonOff reaction to problems identified in Deptel to Paris. Ur comments appreciated but presume you agree it may be undesirable to interrogate Viet Govt at this time."

790.5/12-2051

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET

SAIGON, December 20, 1951.

DEAR MR. SECRETARY: Since I know your concern with formation of policy for Indochina, I believe you will be interested in the increasing role of American military agencies in this field, particularly since the Singapore Conference of May 15, 1951. I have written previously to Dean Rusk on this subject and I enclose copies of this correspondence.¹

Very shortly after our recognition of Viet-Nam, the Department and the Legation at Saigon began to urge the utility of a tripartite military conference of the type eventually held at Singapore. In order to avoid the semblance of political commitments we conceived that the actual meeting should be confined to the military staffs. This did not seem to us to preclude political and diplomatic coordination. To our surprise, however, this conference was planned and conducted with practically no consultation with the Department; the report of the conference was only communicated to us after Dean Rusk intervened with General Bradley, as the enclosed correspondence shows.

¹ Letters from Heath to Rusk, April 24 and June 8, neither printed.

We are still unaware of action taken upon the recommendations of the Conference.

American participation in this Conference contrasted sharply to that of France and Great Britain. Their Foreign Office and colonial officials worked closely with the Conference delegates and even took the lead in preparation of agenda and position papers.

The Chief of our MAAG, Brigadier General Francis G. Brink, participated in the conference as number two American delegate and as representative of the JCS. The precedent of the conference confirmed him in the latter capacity; as Joint Chiefs representative (but presumably not as Chief of MAAG) he sends reports to the JCS and receives papers from them which are not officially available to the Chief of Mission.

Since the Singapore Conference, and as a result of it, the first of what is to be a series of tripartite conferences for the exchange of information was held in Saigon on November 9–10, 1951. I received no advance notice of this conference until just before it was to convene and have not been officially advised of its agenda, conclusions, and recommendations. . . .

The French Foreign Office has a copy of the report of this meeting and showed it to our Embassy at Paris who have asked for a copy of it (Paris telegram 3458, December 10).²

The military attachés who participated in the most recent conference are enlarging their operations and staffs. From the outset the Navy has had its own ciphers and communications systems; so does MAAG and its powerful radio facilities handle our traffic; and the Army Attaché is now about to install his own codes and will transmit through his own channels.

The interrelation of military and diplomatic policy in this area is obvious and close. No basic military estimate of the situation can be made without an evaluation of political circumstances which I doubt that the military agencies have made in the past or are fully equipped to undertake in the future. The continuing representation of the United States by our military alone in area conferences where sit diplomatic and intelligence officials of other governments will involve either an incomplete presentation of the American position or an attempt to assay matters not properly within the military competence. Similarly, the existence and the expansion of communication channels reserved for the private correspondence of the military on current Indochinese problems—and no such problem is today free of political substance or complexity—will, I fear, lead either to the formulation

² Not printed.

of Department of Defense policy without adequate attention to political circumstances or to the assumption by Defense representatives here of functions wholly inappropriate to them.

In all this, I have no criticism to make of the military officers here in MAAG or the Attaché group, who are acting properly within the scope of standing instructions.

I would make the following recommendations:

(a) that this Legation be represented at any future conferences such as that recently held at Saigon;

(b) that communications between the Joint Chiefs and the Chief of MAAG and between Defense and the Attachés be made available to the Chief of Mission whenever any matter concerning substantive policy or having political implications is involved;

(c) that the whole question of the relation of the diplomatic and military branches in Indochina (which I believe is precedential for SEA) be kept under continuous review in the Department.

My recommendations would be somewhat different in form, of course, if the United States were definitely to assume military responsibilities in this area: for example, pursuant to the constitution of a Southeast Asian Command or if the military services were given a definite defense mission other than that inherent in the normal functions of attachés and of the MAAGs.

With all best wishes,
Sincerely yours,

DONALD R. HEATH

751G.13/12-2051 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, December 20, 1951—8 p. m.

3706. Jessup,¹ accompanied by Sprouse,² called on PriMin Tran Van Huu this morning pursuant to latter's request see him before Huu's departure for Saigon today. After exchange courtesies Huu made fol comments:

1. Huu satisfied with results mtg HC French Union although all Vietnamese theses not accepted. Important thing was acceptance of principle of HC as consultative body, not executive, in which no vote taken and whose decisions not binding unless common agreement reached.

¹ Ambassador at Large Jessup was a member of the U.S. Delegation to the Sixth Regular Session of the United Nations General Assembly held at Paris, November 6, 1951–February 5, 1952.

² Philip D. Sprouse, First Secretary, U.S. Embassy in France.

2. In view unstable French Govt majority and serious problems facing French Govt Vietnamese did not wish to [increase?] French difficulties. While Huu did not look with favor on quadripartite arrangements, such as institute of issue and customs union, it was recognized that failure to carry through on such arrangements wld require revision previous accords concluded with France. It was realized that present was no time to confront French Nat Assembly with supp action, particularly when French expenditures IC were important point in consideration budgetary questions Natl Assembly.

3. Unless Chi threat to IC materialized in form Chi aggression cross IC border, milit sit shld develop favorably and peace cld be achieved within year to 18 months. Chi Commie assistance so far limited to advisers and matériel and no indications participation Chi Commie soldiers on Viet Minh side. Polit situation [garble] satisfactory and prestige of Vietnamese Govt had increased considerably, due in part to Vietnamese participation San Francisco conf and Huu's reception of Pres Truman.³ Huu had been given enthusiastic reception upon his return from San Francisco indicating enthusiasm of Vietnamese people at Vietnamese achievements on international plane. Present govt popular with people and many Vietnamese intellectuals here had expressed to him their approval his policies.

4. No decision yet reached with respect Assoc States representation Paris. Huu had come with specific instructions from Bao Dai that Vietnamese rep here be Amb. Proposal had now been made (presumably by French) that Assoc States rep here have title "Ministry permanent" but Huu cld take no action in this regard pending further discussion with Bao Dai.

5. Huu hoped steps cld be taken in near future name Vietnamese Min to Washington. Field was limited by desirability having some one who cld speak English and every person he had suggested to Bao Dai had been so far unsatisfactory to latter. It was possible that Min Fin Vinh might be appointed.

Altho it had been anticipated that Huu wld bring up question [U.S. Gov't?] position re Vietnamese admission to UN, Huu did not raise matter and subj was not discussed.

Dept pass Saigon, sent Dept 3656, rptd info Saigon 206, London unnumbered.

BRUCE

³ President Truman and Prime Minister Huu met very briefly at San Francisco. Huu also paid a courtesy call at the White House on September 13, accompanied by Crown Prince Savang of Laos. No records of these meetings have been found in the Department of State files.

Policy Planning Staff Files : Lot 64D563 ¹

*Substance of Discussions of State-Joint Chiefs of Staff Meeting at the Pentagon Building, December 21, 1951, 11:30 a. m.*²

TOP SECRET

[Extract]

PRESENT

General Bradley	Mr. Matthews ¹³
General Collins	Mr. Bohlen
Admiral Fechteler ³	Mr. Nitze ¹⁴
General Vandenberg ⁴	Mr. Allison ¹⁵
Admiral Fife ⁵	Mr. Perkins
General Lee ⁶	Mr. McGhee ¹⁶
General Hull ⁷	Mr. Knight ¹⁷
General Bolte ⁸	Mr. Ferguson ¹⁸
Admiral Wooldridge ⁹	Mr. Stelle ¹⁹
General Cabell ¹⁰	
Admiral Lalor ¹¹	
General Ruffner ¹²	
Colonel Carns	

MR. MATTHEWS: We thought it might be useful to talk about Indochina. (At this point Mr. Lacy joined the meeting.)

¹ File of the Policy Planning Staff of the Department of State, 1947-1953.

² Beginning in January 1951, the Joint Chiefs of Staff and representatives of the Department of State met regularly, generally on a weekly basis. The purpose of these conferences was to exchange information and opinions rather than to achieve agreement on the various issues discussed. The source text indicates that this record is a State Department draft not cleared with any of the participants.

³ Adm. William M. Fechteler, Chief of Naval Operations.

⁴ Gen. Hoyt S. Vandenberg, Chief of Staff, U.S. Air Force.

⁵ Vice Adm. James Fife, Deputy Chief of Naval Operations (Operations).

⁶ Maj. Gen. Robert M. Lee, Director of Plans, Office of the Deputy Chief of Staff, Operations, U.S. Air Force.

⁷ Gen. John E. Hull, Vice Chief of Staff, U.S. Army.

⁸ Lt. Gen. Charles L. Bolte, Deputy Chief of Staff for Plans, U.S. Army.

⁹ Rear Adm. Edmund T. Wooldridge, Representative of the JCS on The Senior Staff, NSC.

¹⁰ Maj. Gen. Charles P. Cabell, Director of the Joint Staff, Joint Chiefs of Staff.

¹¹ Rear Adm. William G. Lalor, Secretary, Joint Chiefs of Staff.

¹² Maj. Gen. Clark L. Ruffner, Deputy Assistant to the Secretary of Defense (International Security Affairs).

¹³ H. Freeman Matthews, Deputy Under Secretary of State for Political Affairs.

¹⁴ Paul H. Nitze, Director of the Policy Planning Staff.

¹⁵ John M. Allison, Acting Assistant Secretary of State for Far Eastern Affairs.

¹⁶ George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

¹⁷ Ridgway B. Knight, Acting Deputy Director of the Office of European Regional Affairs.

¹⁸ John H. Ferguson, Deputy Director of the Policy Planning Staff.

¹⁹ Charles C. Stelle, Deputy Director of the Office of Intelligence Research.

GENERAL BRADLEY: I think we ought to discuss Indochina. It looks as if things might move to a climax there at any time. As of now so far as the military side of it goes the situation stands with Indochina ranking next to Korea on the MDAP list. We have equipment moving there now and more is going there shortly.

MR. MATTHEWS: The accumulation of intelligence reports of possible Chinese moves against Indochina together with the recent bad news of DeLattre's health and the indications of continuing French dissatisfaction with their position and the possibility of a growth of French feeling that they might have to pull out seem to us to add up to a situation that needs some careful thinking.

GENERAL VANDENBERG: It seems to me that the question really is, are we or are we not prepared to let Southeast Asia go?

MR. ALLISON: There would be a real danger of losing Southeast Asia if Indochina went Communistic.

GENERAL COLLINS: I think the assumption that all of Southeast Asia would be lost if Indochina goes Communist needs careful analysis.²⁰ As far as the resources go, most of the tin is in Malaya and the oil in the Netherland East Indies. If the British really wanted to, I believe from the military point of view Malaya could be held even if Indochina were lost. If this were the case, we would still be able to get both tin and oil.

GENERAL BRADLEY: You probably have to calculate the loss of Indochina and the loss of at least Siam and Burma.

GENERAL COLLINS: I agree that Siam and Burma would be lost and so important rice areas would be lost, but the British should be able to hold Malaya. This is a different situation from Indochina. In Indochina the French are holding a long perimeter which the Communists might be able to punch through at any point. In Malaya the British ought to be able to hold on to Kra. They would have water on each side of them and a very short line to hold.

GENERAL BRADLEY: I just don't think we could get our public to go along with the idea of our going into Indochina in a military way.

MR. MATTHEWS: You mean ground troops.

GENERAL BRADLEY: Yes.

MR. MATTHEWS: The difficulty is that the pattern will probably be a gradual increase of Chinese support rather than dramatic all-out Chinese intervention.

GENERAL COLLINS: There are two things that impress me about the Indochina situation. The first is the difficulty of getting able native leadership. De Lattre says Bao Dai is the best man available and he is far from a great leader. The number two man, Huu, is not trusted

²⁰ For text of NIE-20, "Resistance of Thailand, Burma, and Malaya to Communist Pressures in the Event of a Communist Victory in Indochina in 1951," March 20, see p. 27.

either by De Lattre or Bao Dai, so that you just don't have competent or at least trusted leadership. The second thing is that as of now the Indochina thing is clearly a one man show. If anything should happen to De Lattre, it might go to pieces. Frankly, I think we must face the probability that Indochina will be lost.

MR. NITZE: If we get an Armistice in Korea and then quietly swallow the loss of Indochina, the adverse public relations consequences would be tremendous. We should consider very carefully what is involved.

GENERAL BRADLEY: Maybe we could use the "larger sanction" in the Indochina situation as well as in the Korean.

MR. BOHLEN: The difficulty will be that a Chinese increase in support will probably be gradual and covert rather than sudden and open. Does General Collins think that the French could hold on if the Chinese don't come in in force?

GENERAL COLLINS: Yes, I think they probably could hold on if the Chinese don't come in, but there is no chance that they really can clean up the situation.

MR. NITZE: What would it take to put them in a position to clean up the situation?

GENERAL COLLINS: A great deal. In Indochina the French have given up what are the best natural defensive positions, the bases in the mountains. Their position now is a long perimeter on the plains. To clean up the situation would require a general offensive.

MR. LACY: An NSC paper is now being drafted which takes up the question of the use of U.S. forces.²¹ May I ask what the Joint Chiefs feeling is on whether we should participate with the British and French in military conferences on Indochina and the Southeast Asia area.

GENERAL BRADLEY: I think a staff paper²² is almost completed on that point and I believe that the paper will recommend that we not participate. Personally I disagree with that position. I think we should be prepared to confer on the problem provided we make it clear that we are not committing ourselves to anything.

GENERAL COLLINS: I would go along with that if there were a clear understanding that we were not making any commitments. The danger is that the French always say "We can't do anything, you can, so if you don't do anything that's your responsibility".

GENERAL BRADLEY: I think we can give you a decision on the question of our participation in a military conference very quickly.

²¹ Reference is presumably to the preparation of the NSC Staff Study contained in report NSC 124, February 13, 1952; for text, see *United States-Vietnam Relations, 1945-1967*, Book 8, pp. 468-476.

²² Not identified.

790.5/12-2251 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, December 22, 1951—10 p. m.

3764. Personal for the Secretary. Pleven sent for me this morning in the presence of Letourneau, Min for Associated States, gave me note translated in immed following cable. He specifically asked as head of French Govt that contents of note be brought to personal attention of President Truman. In view of last para I shld like to be able to state that such has been done, and that President is considering matter.

We will comment rather fully in forthcoming cables on Indo-China situation which is causing grave political complexities here. In regard to this particular note French expressed their feeling of great urgency that decision favoring tripartite talks contemplated by Singapore conf Xmas may be no longer delayed.¹

Sent Dept 3764, rptd info London 1004, Saigon 214.

BRUCE

¹ For additional documentation regarding the question of tripartite staff talks on Southeast Asia, see pp. 1 ff. and p. 64.

790.5/12-2251 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, December 22, 1951—10 p. m.

3765. Personal attention Secretary. Ref my immediately preceding cable.

Informal translation Pleven note follows:

"Prime Minister French Govt calls attention of US Govt to fact that possibility of Chi intervention in Indochina appears to be becoming more definite.

Analysis of entirety intelligence reports concerning South China and assistance given Viet Minh by Mao Tse-Tung Govt gives fol results:

Effectives of Chi forces stationed southern provinces bordering on Tonkin have increased in last six months from 170,000 to 290,000 men.

South China communications network and particularly roads leading to Tonkin border being constantly reconditioned and already much improved in correlation this improvement of South China rail and road system, highways in Viet Minh area of north Tonkin are being reconditioned. For instance Kunming-Yen Bay road now open to traffic.

Lastly, Chi matériel aid to Viet Minh has vastly increased over last three months. During recent operations French have ascer-

tained that great part captured equipment was of US origin and have seized arms dated 1950 which apparently are part war booty Chi troops in Korea.

Furthermore, analysis of Chi press over last few weeks shows that emphasis once more placed on struggle of Viet Minh against French Union forces Indochina.

Quite clear that while Franco-Viet forces are successfully standing up to Viet Minh activities, nonetheless true that former do not possess strategic reserves ("masse de manoeuvre") necessary to oppose Chi attack.

Consequently French Govt considers it of utmost importance that conversations which were to take place between US, UK and French following recommendations of Singapore conference commence immediately. It desires that this wish be brought to personal attention of President Truman."

Dept pass Saigon, sent Dept 3765, rptd info London 1005, Saigon 215.

BRUCE

790.5/12-2251 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

TOP SECRET PRIORITY SAIGON, December 22, 1951—4 p. m.

1264. London's 2764 to Dept; 1285 to Paris, Dec. 17.¹ We welcome Paris and London initiatives for tripartite talks on [political?] problems and urgency for US-UK-French exploratory talks in immed future. Russo-Chinese Commie ambition to acquire by one means or another Vietnam and SEA can hardly be doubted. Only question is if and when Chinese Commie air or ground units will be required and there evidence (see Deptel 835, Dec 20)² that such development may not be long delayed. Prudence requires preparations and consultation on polit no less than mil front.

Case for exploratory tripartite talks does not rest only on possibility Chinese Commie invasion; they needed in any event. Coordination of British program in Malaya, French effort IC, US aid throughout area, various forms assistance being extended to Burmese and Thai, cld all be considerable if proved and without necessity of committing govts involved. Area intelligence exchanges and targets cld be appreciably more systematized than at present. Attitudes toward Chinese Nationalist guerrillas might be made more precise now that British thinking proceeding toward greater realism in their appreciation necessity containing Chinese Commies. Capabilities native govts in area require reassessment, perhaps politically even more than militarily.

¹ *Ante*, p. 123.

² Same as telegram 3613 to Paris, p. 563.

Shld invasion occur, speed of response will be as essential as it was in Korea. Polit tactics will be facilitated if prior exploration polit strategy has taken place. Will appeal be taken to UN, under what terms, and for what ends? What will be course tripartite or individual action pending UN decisions? What may we expect of neighboring govts in interim and subsequently? Shld consideration be given to joint or individual statement warning Chinese Commies against consequences further aggression? Such declaration might possibly have useful cautionary effect and be of further value in preparing world opinion for future UN action. These all urgent questions which need sounding now.

Case for these talks seems wholly persuasive. I hope that favorable consideration will be given to them on highest level as matter of urgency, and that problem will be given initial discussion during Churchill's visit.³ Legation wld be pleased to submit its views re specific agenda for tripartite talks if Dept desires.

Sent Dept 1264, rptd info Paris 489, London 16.

HEATH

³ British Prime Minister Winston S. Churchill met with President Truman in Washington on January 7-8, 1952, for discussions on a wide range of subjects of mutual interest. Information on the background of the Churchill visit is scheduled for publication in volume IV.

751G.00/12-2651 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, December 26, 1951—7 p. m.

3796. Deptel 3563, Dec. 18.¹

1. In light of domestic official and public opinion Fr policy in regard to Indochina war is rapidly moving toward a crisis. Two years

¹ In telegram 3606, December 17, Ambassador Bruce reported on discussions with Premier Plevin concerning the French military budget. Plevin had said that he could not see how France could satisfy its obligations under the North Atlantic Treaty Organization and its commitments in Indochina within the budgetary resources available to it. Bruce further reported that Plevin "felt that despite his many efforts and those of other French visitors to US to explain magnitude of problems involved in Indochinese war that they had been unsuccessful in convincing our officials of tragic situation, financially and otherwise, in which France found itself because of this operation. Indeed, the situation was becoming even more serious. In one day last week French Union Forces had lost 1000 men and had expended six weeks' ammunition in an engagement that had lasted only three days. Very same Viet Minh regiments which had been badly mauled a few months ago had again appeared, brought up to full strength, completely equipped, well-officered, and in good fighting spirit. Undoubtedly this indicated a replenishment of troops, possibly including Chinese, and certainly furnishing by Chinese Communists of full equipment replacements. Current intelligence reports from Indochina indicate that Chinese Commies are preparing for greater and more active participation in that area."

ago no Fr govt wld have survived a proposal that Indochina be voluntarily abandoned. Today Emb feeling is that while such a decision wld be generally greeted by Fr public with a sense of emotional relief, yet we do not believe that Fr govt for variety of reasons wld propose such a course of action in the near future. Majority of Fr wld probably agree that France cannot continue this burden even at present tempo for more than another few months. Increasing awareness of expenditure and mil casualty figures is everywhere apparent. There is almost universal recognition that the metropole's security is adversely affected in an increasing degree by this distant adventure in an area which will never again be an asset to France.

2. Among considerations which wld cause Fr Govt to avoid for as long as possible any proposal much less decision to withdraw voluntarily from Indochina except under circumstances of forced mil evacuation are:

a. Admission of failure of policy which has cost so much in men and money;

b. Humiliation to natl pride and loss of prestige abroad;

c. Logistical problem of evacuating under mil and guerrilla pressure Fr Union troops, Fr civilians and such loyal Vietnamese as practical to include in such evacuation;

d. Almost certain massacre or oppression of incalculable number of Fr Union nationals left behind;

e. Voluntary nature of act which wld strike at very roots of Fr Union concept and particularly constitutional commitment (Art 62) to defend union, with inevitable repercussions of gravest sort in rest of union, particularly Fr North Africa;

f. Terrific impetus to Commie prestige and propaganda both in France and Fr overseas territories. Parliamentary reactions to balancing above considerations against those in favor of withdrawal are so unpredictable as to cause grave crisis whether govt emerged intact or not. (In this connection, as well as for gen background purposes, Dept may care to review Embtels 4633 Dec 1, 1949, 620 Feb 7, 746 Feb 16, 837 Feb. 23 [22], 840 Feb 22, and 860, Feb. 23, 1950).²

3. Gaullists would certainly at this time reject abandonment thesis. Rank and file of Socialist Party wld probably prefer some internatl disposition of problem, but Socialist leaders have thus far generally

Moreover, Pleven had stated that Jean Monnet, Commissioner General of the French National Planning Commission and a leading proponent of Western European cooperation, had become convinced that the drain imposed on France by the war in Indochina precluded an adequate defense posture in Europe. (740.5/12-1751) The full text of telegram 3606 is scheduled for publication in volume iv.

In telegram 3563, December 18, the Department of State requested the Embassy's evaluation of this apparent growing movement within the French Government to consider withdrawal from Indochina (740.5/12-1751).

² All the telegrams under reference are printed. For texts, see *Foreign Relations* 1949, vol. vii, Part 1, p. 101 and *ibid.*, 1950, vol. vi, pp. 722, 734, 739, 742, and 743.

supported present govt position altho many individual Socialists have always favored withdrawal. Mendes-France (Radical-Socialist) for some time represented voice in wilderness, but his thesis of complete abandonment is obviously one that has gained increasing number of adherents. Monnet says that Fr cannot make her proper contribution to defense in the west while supporting any major mil establishment in Indochina. Under existing circumstance she favors complete withdrawal regardless of consequence. Devinat (influential Radical-Socialist and former min) has told us in effect: "We cannot continue in IC as at present. Mendes-France is absolutely right and there is no escaping his logic. The only question is how and when the change be made to one of the three fol courses of action: (a) problem to be internationalized; (b) France to receive massive additional financial aid and US equipment and troops; (c) France to pull out".³ Raymond Aron⁴ is also pessimistic about continuance effort there that he has refrained from publishing his views.

4. Difficulties of prob confronting Fr in its effort to rearm in Eur while maintaining Fr Union forces in Indochina are causing increasing uneasiness, which is reflected in many ways. Editorial and other newspaper comment on this subj is widespread (Newspaper comment embodied in a fol tel). One consideration which plays part in present thinking is possibility successful conclusion Korean armistice negots which Fr believe might unleash Chi Commie troops for use against Indochina.

5. While campaign of press comment re Indochina may in some cases spring from special inspirations, it nonetheless both reflects and encourages popular reaction and govt uneasiness North African and metropolitan forces have been depleted to meet Fr needs in Indochina. Govt has frequently pointed out that Fr officers and non-commissioned officers presently in Indochina are sufficient to form cadre for ten divisions in Eur. Budgetary aspects of problem in terms of Fr expenditures in Indochina have previously been reported in detail in Embtels and will be discussed further in separate cable.

6. As indicated in increasing volume of press comment, and in conversations we have had with various govts, polit and newspaper

³ The French National Assembly debated the Indochina question on December 28 and 29 in the course of consideration of military credits for the Associated States. Premier Plevin and Minister for the Associated States Letourneau delivered statements defending the position of the government. However, former Premier Edouard Daladier urged that the issue of the war be placed before the United Nations with a view to obtaining a cease-fire and an internationally supervised plebiscite. The National Assembly endorsed existing government policy on December 29 by approving the military credits by a vote of 510 to 109. Only the Communist members were in opposition. For the record of these deliberations, see France, *Journal Officiel, Assemblée Nationale, 1951, Débats*, pp. 10048-10116, *passim*.

⁴ Prominent French intellectual and journalist.

personalities, Fr public has come to point where it considers, as has long been govt's position repeatedly presented to Wash, that Fr effort in Indochina represents no longer purely natl interest and responsibility, but rather interests of all free nations. While realizing importance of present US assistance in Indochina, they think that question shld be squarely faced by all whether Indochina operations shld not be considered part of western effort rather than primarily Fr responsibility.

7. Fr govt also apparently sees no end in sight to hostilities in Indochina. Perhaps particularly for that reason we have statement such as Pleven made to Natl Assembly Nov 16 re possibility contacts with China, and ref in communiqué issued at conclusion High Council Fr Union Nov 30 re possibility internatl conf for purpose ending fon intervention SEA.

8. It is quite obvious that the nature of the struggle in Indochina has radically altered during the past two years. The Fr effort immed after the liberation was designed purely to protect France's empire, and public and private interests in Indochina. With the overthrow of Chiang Kai-shek and the increasing assistance with which the Chi have been furnishing the VM in both training and materials, the war has taken on the aspects of a struggle against the expansion of Commie imperialism. The VM has been converted from a largely nationalistic group to a completely Commie dominated mil and terroristic organization of growing resources and possibilities.

9. Altho, thanks largely to Fr initiative, some progress has been made, the polit sitn in Vietnam continues unsatisfactory. Fr has granted the Assoc States a very considerable measnre of autonomy—probably more than they are able to handle. A beginning has been made in the creation of a Natl Viet Army. Yet it seems quite clear that there has not yet been created an anti-Commie nationalist native force which is able alone to meet the VM successfully, even in local engagements. A withdrawal of the Fr Union forces either now or within the next two years wld produce a definitive collapse of the present Assoc States polit organization and its replacement by a Commie state. Very large numbers of influential natives are on the fence. There is, on our side of the fence, a minimum of native politico-mil dynamism.

10. Altho Gen De Lattre has stated that in the absence of an invasion by large forces of Chinese volunteers or regulars he can clean sitn up in 12 to 18 months. I believe this is whistling in the wind. As long as the Viet-Minh continue to be trained, reformed, supplied and able to seek sanctuary in China, no annihilation of VM forces seems possible.

11. The Fr Union army has already lost 35,000 killed, of whom 800 deaths, as of July 4, 1951, represented St Cyr graduates. About

two-thirds of their most competent non-coms and perhaps one-half of their officers are stationed there, as well as the cream in quality and the preponderance in quantity of their professional troops.

12. Altho Fr have complained bitterly of delays in matériel shipments to Indochina, De Lattre has recognized that had it not been for US contributions of those and items which have been delivered, Fr cld not have contained some of VM attacks in 1951. If Chi shld enter conflict only with jets they cld sweep Fr Air Force as now equipped from the skies. Fr ascribe much of their success this year to unchallenged air operations.

13. The Fr and the Brit are urging us to hold staff conversations on the situ in SEA. Plevén's note (Embtel 3765, Dec 22) last Saturday again raised this issue. We will be hearing from Churchill on same subj next month. There is no doubt that the most satisfactory result of these conversations from the Fr point of view wld be the recognition of the internatl character of the Indochina war and the resultant decision that the burden being borne by France shld be shared by others to a greater degree than at present. While a commitment of Amer armed forces under present conditions has never yet been officially requested by the Fr, they have already urged us to make greater contributions in money and materials.

14. We may soon be presented with a definite either/or situation: Either we increase our present aid to Indochina to a very considerable extent and make certain definite commitments as to what we will do in the event of a Chi invasion, or the Fr will be compelled to re-examine their entire policy in the area.

15. The issue is not entirely or even primarily whether the Fr will continue their effort at the now existing level. The present level will not be high enough if, even without an actual invasion, the Chi further step up their assistance to the VM. The Fr are becoming increasingly sensitive to the possibility of a situ in which the Fr govt might be confronted either with the necessity for rapid withdrawal or a military disaster. In the circumstances we must decide whether we wish to go much further than we have heretofore in the direction of a multi-lateral approach to the problem.

16. If we agree in principle to a multilateral approach, it wld seem that we must immed engage in tripartite conversations, not only at the mil but also at the polit level. Amongst other considerations, we might, for instance, wish to reach a tripartite decision as to the accuracy of present Fr estimates of the mil and polit situ, and the wisdom of existing plans to deal with them.

17. To conclude, I believe that the snowball has started to form, and public sentiment for withdrawal, in the absence of adoption of some course of action envisaging either internationalization of Indo-

china problem or Fr receipt of massive additional aid, will gain steadily and perhaps at accelerated rate. It wld be incorrect to assume that Fr Govt is trying merely to horse trade or bargain with US. It is responding slowly and unwillingly to pressures far stronger than party positions. Consequently, Emb recommends that US re-examine problem in the light of these changing circumstances prior to a final precipitation of these mixed elements in order avoid risk of a sitn threatening the security of all SEA and entailing grave polit and mil repercussions elsewhere.

Dept pass Saigon; sent Dept 3796, rptd info Saigon 220, London unnumbered.

BRUCE

851G.10/12-2751 : Telegram

The Minister at Saigon (Heath) to the Secretary of State

CONFIDENTIAL

SAIGON, December 27, 1951—8 p. m.

1280. I sent fol ltr today to Pres Huu (Deptel 788, Dec 13 [12] and Legtel 1276, Dec 27).¹

"I have the honor to refer to our conversation of Nov 9, 1951, at which time I expressed to you the concern of the US Govt at the lack of a budget for the state of Vietnam. Under instrs from the US Govt I now wish to confirm these views. In the absence of a budget, it is very difficult for the US Govt adequately to assess the amt of econ and milit aid which it ought to supply, to know to which fields its efforts ought to be addressed, or to measure the efficacy of its assistance. In the near future the US exec depts will be required to present their plans for regular and supplementary econ and milit aid programs for Vietnam to the reviewing agencies and to the US Cong. Without a budget the task of justifying these aid programs to the office of the Pres (Bureau of the Budget) and to the Cong is rendered much more difficult.

"Altho the US Govt and the Leg are well aware of the many heavy and peculiar difficulties confronting the Viets Govt, partly growing out of the recent transfer of powers and wartime conditions, it nevertheless hopes that the Viet Govt will find it possible to complete its budget preparation and to publish a budget in due form in the near future.

"You will also recall that you have from time to time been good enough to discuss with me your efforts to constitute the Ministry of Def as effectively and as soon as possible. The US Govt shares your concern, especially since its contemplated aid programs are increas-

¹ The latter telegram is not printed.

ingly directed to the equipping of the Viets Natl Army. I have had many occasions to appreciate your own great contributions to the creation of the army and to the planning for its admin, and I have wondered that you have been able to do so much while carrying on your other heavy duties. It is my understanding, however, that for some time the possibility of designating an outstanding full-time Min of Def to carry on with the work inaugurated by you has been under consideration. My govt ventures to hope that in the interest of more effective use of US milit aid such an appointment can soon be made.

"I look forward to receiving your views on these subjs and I shall be pleased to communicate them to my govt.

"I shld like to take this opportunity to express my pleasure at your return to your high post after the important first mtg of the High Council of the Fr Union. I shld like also to congratulate you upon the valorous conduct of the Natl Army of Vietnam in its initial trials and to renew my wishes for its continued success and that of the Govt of His Majesty Bao Dai.

"Pls accept, etc."

Sent Dept 1280, rptd info Paris 495, Hanoi unnumbered.

HEATH

790.5/12-2251

Memorandum by the Secretary of State to the President

TOP SECRET

[WASHINGTON,] December 29, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: French and British Request for United States Participation in Tripartite Military Conversations Concerning the Defense of Southeast Asia

Prime Minister Pleven of France has asked me to bring to your personal attention the attached note from him.¹ This note concerns the serious possibility of Chinese Communist intervention in Indochina.

Mr. Pleven strongly urges that conversations on the defense of Southeast Asia be started immediately by representatives of the United States, United Kingdom and France. The 1951 Singapore Conference recommended that such conversations be held.

I have been informed that the Joint Chiefs of Staff yesterday agreed to United States participation in such conversations. A telegram is accordingly being despatched to Ambassador Bruce in Paris instructing him to inform the French Prime Minister of the concurrence of

¹ See telegram 3765 from Paris, December 22, p. 571.

the Department of Defense and their suggestion that the conversations be held as soon as possible, preferably in Washington.²

DEAN ACHESON

² Instructions for Ambassador Bruce were transmitted in telegram 3732, December 29, not printed (790.5/12-2251). The invitations issued by the Joint Chiefs of Staff to the French and British Chiefs of Staff on December 28 are outlined in telegram 3743 to Paris, December 29, p. 130.

751G.00/12-2951 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, December 29, 1951—11 a. m.

PRIORITY

3856. Embtel 3823, Dec 27, rptd, Saigon 224, London 1014.¹ Foreign Office has given us *aide-mémoire* dated December 28 setting forth French Govt reply questions outlined Deptel 3613, December 21 [20] and additional comment, informal translation of which follows:²

"I. French command know military potential Viet Minh forces and follows its development closely. It knows these forces already benefit from Chinese aid in form equipment and material all kinds, advisers and technicians in Tonkin and training Viet Minh units or personnel in Chinese territory. There is, therefore, already certain Chinese Communist intervention Indochina, such intervention preserving for time being more or less concealed character.

"In order define criteria according which justification wld exist for considering there is attack or aggression against Indochina by Communist China, French Govt cld take into account either effectiveness Chinese intervention or form under which it appears.

"From last point view French Govt wld be justified denouncing Chinese aggression especially in following cases:

"Intervention by air forces under conditions such that their take-off from bases in Chinese territory cld not be technically contested (for example, medium or heavy bombers, modern or jet pursuits, for which no air strip now exists in Viet zone);

"Penetration maritime forces Indochina territorial waters when they clearly originate only from home ports outside Indochina peninsula;

"Identification Chinese combatants, volunteers or not, as individual reinforcements or as units incorporated among enemy forces.

"From point view effectiveness, Chinese intervention under present forms can be intensified to point of upsetting, to Viet advantage, equilibrium of opposing forces out of proportion to known possibilities of Viet alone. French Govt in this case wld also consider Chinese intervention as genuine aggression.

"II. As French Govt has already made known to US Govt, it wld,

¹ Not printed.

² The original text of the *aide-mémoire* was transmitted to Washington in Despatch No. 1707, December 29, not printed (751G.00/12-2951).

in these eventualities, appeal to UN. It wld do so in agreement with Associate States Govts and wld not fail to consult beforehand with US and UK.

"III. It wld ask China be declared aggressor and immediate application to China of political and economic sanctions under UN Charter. Finally it wld request member states to have their available forces participate in defense Indochina territory.

"IV. If its request met Security Council veto, French wld request meeting GA.

"V. It is essentially on Atlantic Pact member countries and British Commonwealth dominions of white race, as well as SEA countries more directly threatened by Chinese aggression, that French Govt wld consider itself able to count principally for conduct military action recommended by UN. It wld furthermore anticipate adherence to other measures by all UN member states which have decided oppose Communist bloc aggressions in Asia and elsewhere in world.

"French recourse to UN wld be effected without prejudice to requests for immediate aid by French to US and UK.

"Massive increase Chinese aid to Viet wld clearly create situation whose sudden aggravation wld not permit awaiting development slow UN procedures and wld call for immediate decisions on strategic plane.

"In contrary sense, it might happen that Chinese intervention wld be of character insufficiently defined to have UN decision interpose without very long discussion on real character Chinese aggression while extremely grave threat hanging over expeditionary corps.

"With this double hypothesis in view French Govt continues consider necessary speedy implementation Singapore conference recommendations.

"It is not unaware such implementation poses certain number important problems for Washington as well as London, and it is with view facilitating their solution that French Govt has supported British suggestion prior Rome conference have meeting three powers Chiefs of Staff.³

"French Govt can, therefore, only confirm to US Govt its very keen desire have such conference convened immediately." *End verbatim text.*

Foreign Office tells us *aide-mémoire* approved by Prime Minister, Foreign Minister and Minister Associates States and stresses highly classified nature information therein. With reference SEA countries French Govt wld expect support military action, Foreign Office explains it wld expect such support only from Philippines and Thailand and apparently is dubious re support it wld obtain on any measures in UN from Burma, India, Pakistan and Indonesia.

Embassy is forwarding original text by air pouch. Both this telegram and original text being furnished UsDel.

Dept pass Saigon. Sent Dept 3856, rptd info Saigon 229, London 1027.

BRUCE

³ Regarding the British suggestion, see telegram Tosec 55, November 21, p. 115.

751G.00/12-3151 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET

PARIS, December 31, 1951—8 p. m.

3913. Schuman gave me this afternoon for transmittal to Dept *aide-mémoire* dated Dec 31 rough translation of which follows. I told him we expect to have shortly information to effect Secretary Lovett had advised Ambassador Bonnet of accurate status of arms shipments to Indochina.

Translation:

"At time of his recent trip to US, Gen De Lattre obtained assurance that principal critical materiel for French Union forces IC wld be delivered prior Dec 31. This materiel included particularly: all general purpose vehicles jeep, dodge, GMC, or 4500 vehicles; majority combat vehicles, or 220 out of 330; all automatic arms, or 9400; 600 radio sets out of 2700, remainder to be delivered as manufactured.

"More recently, Dec 20, State Dept, in reply to Demarche French Emb Washington on this subject, indicated that:

"(1) All trucks expected, plus 200 supplementary trucks, shld arrive Saigon prior Dec 31;

"(2) All radio sets were going to be expedited, their delivery risking maximum delay one month;

"(3) Automatic arms were in process being shipped.

"Subsequent to this info, French command IC studied with Gen Brink deliveries materiel promised for end of year. In light this study, it appears that commitments taken vis-à-vis French High Comm IC, and which had been confirmed to him by Gen Collins, will not be kept for Dec 31.

"Nevertheless, Gen Brink has affirmed that certain number ships have left US and are expected IC between Dec 25 and Jan 15, carrying about 100 radio sets, 975 vehicles, 77 combat vehicles, munitions and miscellaneous materiel; on other hand, 10 tank-destroyers with 90 millimeter guns arrived this week.

"Despite effort thus made to end year by US services, it appears that important deficit will remain to be made up on Dec 31.

"At time fighting resuming with increased intensity on Tonkin front, French Govt calls most serious attention of US Govt to grave consequences which such delays in deliveries US materiel risk involving for conduct operations.

"On other hand, French Govt wld like to know as soon as possible:

"(1) List of ships presently at sea or which will sail before Jan 15, with tonnage and type of materiel carried;

"(2) Volume of aid which will remain to be furnished on Jan 15 under 1950-51 aid".

Dept also pass Saigon sent Dept 3913 rptd info Saigon 236.

BRUCE

INDONESIA

UNITED STATES RELATIONS WITH INDONESIA¹

756C.00/1-451

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Deputy Under Secretary of State (Matthews)

SECRET

[WASHINGTON,] January 4, 1951.

Subject: Netherlands New Guinea

The consequences of the impasse at The Hague Conference on the future status of Netherlands New Guinea are beginning to become apparent in Indonesia.² In his telegram 870 of January 3,³ Ambassador Cochran reports that he has been informed that the Indonesian Cabinet has decided to communicate a statement to the Netherlands covering the following points:

(1) The Indonesian Government regrets the deadlock reached at The Hague Conference on Netherlands New Guinea;

(2) The Indonesian Government is willing to resume discussion on the basis of transfer of sovereignty over Netherlands New Guinea to Indonesia;

(3) The Indonesian Government finds the situation within the Union so troubled by the question of Netherlands New Guinea, including the occupation of the territory of one Union partner by the other, that unless the Netherlands Government is willing to resume conversations on the basis of point two above, the Indonesian Government must [because of deep-seated public resentment which the present Government has tried to resist] reconsider its position with respect to the Union statute and other phases of the RTC agreement.⁴

Ambassador Cochran reports additionally that Parliament might proceed with discussion of the above statement and that a vote of confidence might come thereon without awaiting a reaction of the Netherlands Government. Ambassador Cochran reports that Parliamentary action may effect the statement outlined above but the Indonesian Government, after consultation with Parliamentary leaders, feels it will have the support of its Assembly on such a statement.

¹ For previous documentation, see *Foreign Relations*, 1950, vol. VI, pp. 964 ff.

² For documentation, see *ibid.*, pp. 1100 ff.

³ Not printed.

⁴ For documentation, see *ibid.*, 1949, vol. VII, Part 1, pp. 474 ff.

The FBIB [*FBIS?*] reports that the PNI has refused to join the Government unless a Cabinet of true National Union, i.e., including Communist parties, is formed. I believe that the life of the Natsir Government ⁵ which is about the best Government we can reasonably expect in Indonesia, is endangered by the Netherlands New Guinea problem, and I believe that its successor will rest far to the left of the present Government and will exhibit little of the friendly attitude toward the U.S.

The positions of Australia and the Netherlands have not altered materially, although there is some reason to believe that the Dutch Cabinet is having difficulties arising from Socialist criticism of the Government's failure to reach agreement with Indonesia on NNG.

In view of the possible consequence to the United States of the Dutch Indonesian failure to resolve the NNG issue, I think you should convene a meeting as quickly as possible of the officers concerned to discuss what action, if any, should be taken in the premises. I understand that Mr. Nolting ⁶ has already taken action to expedite a reply to our letter of December 21 to the Joint Chiefs of Staff on this problem.⁷

⁵ Mohammad Natsir, Prime Minister of Indonesia since September 6, 1950, and Chairman of the Leadership Council of the Masjumi Party.

⁶ Frederick E. Nolting, Jr., Special Assistant to the Deputy Under Secretary of State.

⁷ Not printed.

756C.00/1-451

Major General James H. Burns, Assistant to the Secretary of Defense for International Security Affairs, to the Deputy Under Secretary of State (Matthews)

SECRET

WASHINGTON, January 4, 1951.

DEAR MR. MATTHEWS: I am replying to your letter of 21 December, in which you referred to previous correspondence between the Department of State and the Department of Defense regarding the disposition of Netherlands New Guinea and requested the current estimate of this Department as to the United States strategic interests which may be involved.

In the letter of 2 October ¹ to which you referred, the views of this Department were stated as follows:

"The Joint Chiefs of Staff perceive no major United States strategic interests at this time in the disposition of Netherlands New Guinea so long as it remains in the hands of a nation friendly to the United States."

¹ *Foreign Relations*, 1950, vol. VI, p. 1074.

In reviewing again United States strategic interests in this area, full consideration has been given to the recent developments mentioned in your letter and to the present military situation in the Pacific. However, it is not believed that any change in the above estimate is indicated at this time.

Sincerely yours,

J. H. BURNS

656.56D/1-651 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

NIACT

WASHINGTON, January 6, 1951—6 p. m.

682. Following is verbatim text of identical notes to be delivered FonOffs Djakarta and The Hague immed.

"The United States Government has been consulted by the Governments of the Republic of Indonesia and of the Netherlands with respect to its views regarding the future status of Netherlands New Guinea. It will be recalled that the United States Government has, since the conclusion of the Round Table Conference Agreements in the autumn of 1949, publicly stated its view that the future status of Netherlands New Guinea should be determined by negotiations between the Governments of the Republic of Indonesia and of the Netherlands as provided in the Round Table Conference Agreements.

My Government notes with regret that a mutually satisfactory solution of this problem was not reached at the recent conference of the partners of the Netherlands-Indonesian Union at the Hague. It is the view of my Government that the interests of both Union partners can best be served through continued efforts to find a solution of the problem as contemplated in Article 33 of the Charter of the United Nations.

The United States Government maintains its opinion that Indonesia and the Netherlands can continue to build a cordial and mutually beneficial relationship under the Union Statute and under the other provisions of the Round Table Conference Agreements which were freely entered into a little more than a year ago under the auspices of an agency of the United Nations.¹ For these reasons the United States Government urges the Governments of the Netherlands and the Republic of Indonesia earnestly to seek, in a spirit of cooperation, an accommodation with respect to the New Guinea problem in accordance with the purposes and principles of the Charter of the United Nations."

Put name of Govt to which you are accredited first in each instance above.

Report time date delivery soonest as Dept is informing Embs Wash notes being delivered and wishes provide them copies thereof after delivery.

¹ The reference is to the United Nations Commission for Indonesia.

Sent Djakarta, rptd The Hague both for action as indicated. Rptd USUN for info: rptd London to pass copy of note to FonOff.²

Sent to AmEmbassy Djakarta 682; rptd to AmEmbassy The Hague 799, London 3295, USUN 623.

ACHESON

² In telegram 891 from Djakarta, January 7, Ambassador Cochran reported that he had delivered on that same day the text of this note to Mohammad Rum, Foreign Minister of Indonesia (656.56D/1-751). In telegram 983 from The Hague, January 7, the American Ambassador to the Netherlands, Selden Chapin, also reported that he had delivered the text of this message to the Netherlands Foreign Office (756C.00/1-751). Moreover, the Embassy in Australia also received the text of this note in telegram 182, January 7 (756C.00/1-751).

856D.10/1-1651: Telegram

The Secretary of State to the Embassy in Indonesia

RESTRICTED

WASHINGTON, January 16, 1951—6 p. m.

728. Fol full text Eximbank release 10:30 a. m. Jan 17 Washington time:

Eximbank today announced signing loan agreement Jan 12 with Republic Indo covering credits aggregating \$52,245,500. Herbert E. Gaston, Chairman Board Directors, signed for Bank and Amb Ali Sastroamidjojo for Republic Indo. These credits have been allocated out of \$100 million earmarked by Bank for Republic Indo last year. They being used fin importation productive equipment and materials required for reconstruction and development vital sectors the Indo econ. Specific allocations which covered this agreement are as fol:

\$20 million for purchase automotive equipment, principally trucks but also including buses, jeeps, ambulances, motorcycles and some passenger cars. This equipment was urgently needed help in restoring Indo motor vehicle transportation facilities.

\$2.1 million for purchase roadbuilding equipment be used for repair existing roads, well as construction certain new roads.

\$260,000 for purchase key telecommunications equipment.

\$6.7 million for purchase dredges steel, cement, other materials required rebuilding port facilities. Dredges be used resume regular dredging which necessary in order maintain access most Indo harbors.

\$17.1 million for purchase railway equipment, including principally Diesel-electric locomotives, freight cars, track laying equipment. These be used help in restoring capacity Indo railway system move essential freight, passengers.

\$6,085,500 for purchase 8 airplanes, together with necessary spare parts. These planes be used by Garuda Airways, which supply domestic service in Indo.

Credit extended for purchase automotive, roadbuilding equipment authorized by Board of Directors of Bank Aug 1950 and others authorized at intervals since that time.¹ Agreement signed today sets forth detailed terms, conditions under which credits being utilized and are to be repaid.

Funds advanced under terms credit will bear interest at rate $3\frac{1}{2}\%$ per annum and be repayable 30 approx equal semiannual installments beginning Mar 1, 1956.

Amb Sastroamidjojo and Mr. Gaston expressed their mutual satisfaction in formal conclusion of agreement. They confident, they said, that Bank and Govt Indo wld continue cooperate effectively toward development Indo econ.

ACHESON

¹ In telegram 792 to Djakarta, February 1, Ambassador Cochran was informed that the Eximbank on January 25, had allocated \$8,290,000 to Indonesia under the \$100,000,000 commitment to finance the purchase of electrical equipment in the United States (856D.10/2-151).

756C.00/1-1851

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

SECRET

[WASHINGTON,] January 18, 1951.

Subject: Call of Australian Ambassador, the Honorable Norman Makin, January 18.

Problem:

The Australian Ambassador, Mr. Makin, has an appointment to see you at 4 o'clock this afternoon and at that time will give you a message from the Australian Prime Minister¹ on the subject of Netherlands New Guinea.

Discussion:

Our Embassy at Canberra has reported that the Australian Foreign Office was somewhat disturbed by our recent messages to Indonesia and to the Netherlands in which we urged the two Governments to seek, "in a spirit of cooperation, an accommodation with respect to the New Guinea problem". The Australians took our notes to mean that we were advocating further recession by the Dutch from their original position, and they apparently did not give due weight to the fact that our suggestion of "accommodation" was addressed to both parties.

¹ Robert Gordon Menzies.

Our Embassy responded by pointing out that the notes to the Netherlands and to Indonesia indicated that the United States' desire was the same as heretofore, namely that settlement of the question of Netherlands New Guinea be achieved through bilateral negotiations between the two parties.²

In April of last year we sent a message to the Australian Foreign Minister expressing concern at the manner in which Australia was proposing to assert its interest in the disposition of Netherlands New Guinea. The basic point made in our message was that the United States adhered to the RTC formula for settlement of the New Guinea question through negotiations between Indonesia and the Netherlands. We stated that in our opinion the two parties should be permitted to exhaust all possibilities for reaching a workable solution through bilateral negotiations before consideration was given to other methods of solving the problem. Our recent notes were consistent with this position.

In our message to Mr. Spender³ last April, after affirming our support for the RTC formula, we stated that we favored the retention of Netherlands control of the territory in some form and had so advised the Netherlands. The Australian Government, before the recent breakdown in negotiations between the Netherlands and Indonesia, requested this Government to intervene in an effort to moderate the Indonesian claims and to strengthen the Dutch in their opposition to these claims. This we declined to do because of our basic position that the parties to the dispute should seek a solution through bilateral negotiations without outside interference.

Recommendations:

1. It is recommended that, if he raises the question, you explain to the Ambassador that our notes to Indonesia and the Netherlands did not represent any change in the policy we have consistently maintained with respect to this problem.

2. It is further recommended that you emphasize the fact that the notes were identical, were addressed to both parties and merely called upon the parties to continue their efforts to arrive at a solution.

² The Australian reaction to the joint note sent to The Hague and to Djakarta (printed in telegram 682, January 6, p. 585) and the observations of the U.S. Embassy in Australia were reported to the Department of State in telegram 191 from Canberra, January 11, not printed (756C.00/1-1151).

³ Percy C. Spender, Minister for External Affairs.

756D.00/1-2251 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, January 22, 1951—5 p. m.

750. Fol is summary personal msg Menzies delivered Secy by Austral Amb Jan 18:

[Here follows the text of the summary of Menzies' brief note expressing Australia's deep concern over the possibility of transfer of sovereignty over Netherlands New Guinea to Indonesia particularly in view of Australia's strategic concern in the area. It posed the possibility in the long run of a joint Netherlands-Australian trusteeship for the area and concluded with a request that the United States do anything possible to delay a decision which would result in Netherlands departure from New Guinea.]

In accepting msg, Secy informed Makin Dept wld study msg and wld reply Menzies.

Sent to AmEmbassy Djakarta 750, rptd for info AmEmbassy Canberra 195, AmEmbassy The Hague 850, USUN 646.

ACHESON

357.AA/1-2451 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, January 24, 1951—2 p. m.

988. Told Rum evening 23rd no reply necessary US note January 7 on Netherlands New Guinea.¹ Rum said if reply had been made it would only have been acquaint US with Indonesian position as outlined by Prime Minister Natsir to Parliament. (Deptel 746).²

Rum said note re resumption negotiations not yet delivered to Netherlands Government. This awaits early return from Atjeh of Natsir who has been absent considerably past two weeks.

Rum thinks committee headed by Supomo³ and including several non-Cabinet members familiar with RTC negotiation will make comprehensive study of functioning RTC agreement which might possibly be useful in future. When I pointed out danger of reopening this

¹The reference is to the text of telegram 682 to Djakarta, January 6, p. 585.

²In telegram 746 to Djakarta, January 19, which is not here printed, Ambassador Cochran was instructed to inform the Indonesian Government that no reply was necessary to the Embassy's note of January 7 (756D.21/1-1151).

³Professor Supomo on January 23, was named chairman of the Special States Commission to re-examine the Round Table Conference accords.

agreement I found Rum duly cognizant thereof. With Parliament to be recessed during February he expects cessation prodding from politicians on Netherlands New Guinea but hopes Netherlands Government will in meantime be helpfully responsive to Indonesian note on resumption negotiations. Rum feels recent statements from various leaders and journalists in Australia indicate turn in sentiment more reasonably toward Indonesia on Netherlands New Guinea.

COCHRAN

357.AA/1-3051 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, January 30, 1951—4 p. m.

1016. Gocus 944. From Cochran and Beam.¹ We appreciate position taken by Department re UNCI² outlined Usgoc 493.³ We think it might be useful if Department would now initiate concerted campaign with all interested parties close up UNCI soonest. While Ambonese problem not yet finally settled, fair prospect ex-KNIL and KL will be removed Indo end March.⁴ Roem⁵ and Simatupang⁶ have strongly stressed wish terminate UNCI soon as possible after that date and it appears likely Indo Government any event will request removal military observer. Roem emphasized previous UNCI good work and said would be most deplorable if commission's prestige should suffer by indefinite continuation after all conceivable grounds for its existence had ceased.

Secretariat here agrees with us and probably Australia can be pushed adopt our viewpoint. Belgians likely follow Dutch. Believe Department already has sufficient arguments dissolution UNCI but following considerations may help. With Dutch Government change now looks as if further Irian⁷ discussions and solution may be indefinitely delayed. In last three months UNCI has had literally noth-

¹ Jacob D. Beam, Consul General and Counselor of the Embassy in Indonesia and Acting U.S. Representative on the United Nations Commission for Indonesia.

² United Nations Commission for Indonesia. For documentation on its activities, see *Foreign Relations*, 1950, vol. VI, pp. 979 ff.

³ In telegram 770 (Usgoc 493) to Djakarta, January 26, the Embassy was informed that it should work for the earliest possible dissolution of the UNCI (357.AA/1-2551).

⁴ For documentation on the Ambonese problem, see *Foreign Relations*, 1950, vol. VI, pp. 1082 ff.

⁵ The reference is to Mohammad Rum, Foreign Minister of Indonesia. Ambassador Cochran in his cables used both spellings.

⁶ Col. T. B. Simatupang, Acting Chief of Staff of the Armed Forces.

⁷ Netherlands New Guinea.

ing to do. Last meeting with Indos and Dutch took place in contact committee October 25. Except for Natsir's letter (Gocus 933)⁸ neither party has addressed communication of substance to UNCI in all these months. In fact neither party has shown any initiative in even keeping UNCI informed current developments. While UNCI's personal relations with both delegates are good, UNCI chairman⁹ has had to seek information in individual periodic calls. As indicated above, Indos frankly advocate UNCI dissolution and if Dutch still possess any interest in UNCI on the spot they certainly have not shown it. [Cochran and Beam.]

COCHRAN

⁸ Not printed.

⁹ There was no permanent chairman of the UNCI; the position rotated among the representatives of the nations participating on the commission.

357.AA/2-151 : Telegram

*The Secretary of State to the Embassy in the Netherlands*¹

SECRET

WASHINGTON, February 1, 1951—6 p. m.

908. Dept believes UNCI's usefulness Indo diminishing and continuation of Comm in inactive status detrimental to its prestige, that of UN and potential source of irritation to Indos.

Since ex-KNIL problem may be liquidated next month, we believe target date of Mar 31 for dissolution Comm reasonable. Argument may be put forward that one of Neth's proposals for solution NNG problem included mediation by UNCI and that therefore Comm shld not be dissolved while there exists possibility it might be useful in solution NNG. Dept convinced, however, Indos will not accept intervention in substance NNG by Comm as presently constituted. If UN mediation this problem desirable, there no reason why other UN machinery for mediation, such as conciliation panel, might not be used. View fact that neither party has utilized services of Comm for many months now we do not believe that maintaining UNCI solely for possible use in NNG problem either necessary or desirable. Light foregoing, suggest you approach FonOff in attempt secure agreement on target date Mar 31 for dissolution Comm assuring them such dissolution unrelated our minds matter keeping NNG negots fluid and flexible.

ACHESON

¹ Repeated to Canberra as telegram 204, to Brussels as telegram 1054 for action, and to the U.S. Mission in New York as telegram 678 for information.

756C.00/2-351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, February 3, 1951—7 p. m.

1034. In informal conversation Deputy Netherlands HC Schurmann¹ informed me Indonesian Government has not yet transmitted to Netherlands Government formal communication setting forth position Natsir Government on NNG question and stipulating circumstances in which negotiations could be reopened. Schurmann said Indonesians of course realized no action could be taken on such note during Netherlands Government crisis. In answer my question whether next Conference Union Ministers might be able smooth way for later negotiations on NNG Schurmann said no indication yet that Indonesians will request third Conference Union Ministers which normally should take place Djakarta March or April. He thought even some doubt Indonesians would be willing participate in such conference unless and until progress made on NNG question.

Schurmann praised successful effort Natsir government to keep conditions quiet during NNG discussions December and to avoid precipitate denunciation of union. Schurmann believes that even if severance union ties should come later this would not necessarily preclude Netherlands and Indonesia working together closely.

COCHRAN

¹ C. W. A. Schurmann.

357.AA/2-551 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, February 5, 1951—5 p. m.

1041. From Cochran and Beam. Deptel 791.¹ Much gratified by position taken by Department UNCI dissolution. Schurmann indicated Netherlands Government would be willing have UNCI depart Indonesia after troop evacuation but strongly desired present government membership be retained with possibility appoint delegates when and where services called for. Little doubt our minds UNCI will be most unwelcome to Indonesia after troop problem settled. Since in view unsatisfactory trend Indonesian foreign policy we may have to be severe on government here, would much prefer representations we may be forced to make future be not complicated by any additional irritations arising from our participation UNCI. Time may come

¹ The cable under reference is a repeat of telegram 908 to The Hague, February 1, p. 591.

furthermore when UNCI may be attacked as instrument Western Powers. If Dutch prove intransigent would go so far as to recommend we inform interested parties our intention withdraw from Commission. This would of course mean referring question SC, a step which we believe Dutch and Australians would be very reluctant to see taken and which might bring them into line with our idea early UNCI dissolution. Do not see how US in own interest can afford remain member Conciliation Commission, Australian member of which seemingly more adamant than Dutch in critical Irian dispute, with Australian public figures even expressing willingness risk aggression keep Irian from Indonesia. Australian Ambassador Hood² has privately stated his firm conviction Australia has no intention allowing Irian become Indonesian. [Cochran and Beam.]

Department pass Hague; sent Department 1041, repeated info Hague 107.

COCHRAN

² J. D. L. Hood.

756C.00/2-551 : Telegram

*The Secretary of State to the Embassy in Australia*¹

SECRET

WASHINGTON, February 5, 1951—5 p. m.

205. Urinfo fol msg from Secy to PM Menzies has been delivered Austral Emb Wash:

"I deeply appreciate your friendly and frank msg on the subj of Neth New Guinea which Amb Makin delivered to me on Jan 18. I am very well aware that this problem has been and is a source of serious concern to you in Austral. In order to clarify our position I shld like to indicate some of the basic considerations which have underlain US pol. We have consistently supported the procedure agreed to in the Hague Round Table Conference of Dec 1949 calling for settlement of the future polit status of Neth New Guinea through negots between the Neth and Indo. This continues to be the pol of the US, notwithstanding the failure of the two govts to achieve a solution of the problem in the period specified in the Hague agreement. The identical notes which we sent to the Hague and to Djakarta on Jan 7 expressed the view that the interests of both Union partners wld be best served through continued efforts to find a solution of the New Guinea problem. We urged both govts to seek an accommodation with respect to the problem in accordance with the purposes and principles of the Charter of the UN.

"In urging the Neth and Indo to continue their efforts to reach agreement we have been mindful of the dangers to the stability of the area if the dispute over this terr shld result in embittered relations

¹ Repeated for information only to The Hague as telegram 921 and to Djakarta as telegram 809.

and perhaps a rupture of the Union partnership. Such a development, I feel sure, wld be detrimental to the best interests of the two parties directly concerned and could endanger the maintenance of that stability which is essential to the security of SE Asia. Because of our concern at the consequences of conflict between the Neth and Indo over this question, we have sought to keep negots alive. In our discussions with both parties we have avoided any sug of partiality and have consistently reiterated our position that the question is one for res through negots between the two Govts. We have not sought to influence the nature of any settlement which the Neth and Indo may arrive at through such negots.

"In view of the basic position of the US Govt on this question, our representations necessarily have been of a restricted character.

Our counsels of moderation, however, have as their objective the continuance of negotiations, even though they are not immediately successful, thus avoiding a conflict which would carry with it dangers not only for the Neth and Indo but also for Austral. the U.S. and in fact all those nations interested in the peace and security of the area.

With kind regards, Dean Acheson"

ACHESON

856D.00-TA/2-751 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, February 7, 1951—6 p. m.

821. For Armstrong and O'Sullivan. Ref Embtel 896 Jan 8, Toeca 24 Jan 17, Toeca 49 Feb 3, Embtel 1032 Feb 3.¹ Difficulty expected justifying Indo ECA program² before Budget Bureau, without ur full support and fully expressed desire Indo Govt for ECA program, in view fol:

(1) Current Indo dol position. We appreciate obvious difficulties justifying contd grant aid \$10-\$15 mil Indo because great and continuing improvement Indo econ position, which you noted. Indos and Eximbank Jan 11 signed loan contracts for \$52 mil specific major developmental projects.³ Indo dol exchange holdings now over \$90 mil, increase over \$60 mil last eight months. Substantial gold reserves \$178 mil earlier in year recently increased by further purchase \$30 mil gold. Strong commodity markets Indo exports, which Acct these spectacular improvements, apparently unlikely be radically changed near future. ECA aid approx \$12 mil insignificant compared Indo total annual imports over \$300 mil. Under these circumstances adverse Cong reactions grant aid may be anticipated. This may be complicated by Cong

¹ Not here printed; the arguments presented in telegram 855, *infra*, represent a summary of Ambassador Cochran's views as reported in these telegrams from Djakarta.

² On October 16, 1950, the United States and Indonesia signed an Economic Cooperation Agreement at Djakarta, which was recognized as binding by Indonesia pending parliamentary action. For the text of this agreement, see TIAS No. 2762; 4 UST 19.

³ See telegram 728 to Djakarta, January 16, p. 586.

inability understand giving Indos grant aid for activities they capable fin themselves.

(2) Apparent unacceptability ECA program Indo. Dept notes you have experienced difficulty getting Indo Govt prepare justification present and future programs. Re both Point 4 and STEM program, we note increasing Indo reluctance accept and house Amer technicians.

(3) Possibility that now may be propitious time indicate to Indos availability US aid shld not be taken for granted no matter how close US-Indo friendship. Dept notes ur recommendation US interests Indo may best be served present time by refraining entirely offering Indos any future econ aid unless they specifically request it and indicate greater sense appreciation and ability absorb such aid than heretofore shown (urtel 1032 Feb 3, re conversation Fon Min Roem on Indo actions in UN and Indo reaction mention Pac Pact).⁴

Dept therefore seriously considering advisability recommending eliminating fiscal year 1952 Indo ECA program, and restricting fiscal year 1951 program to projects already formally approved or otherwise committed Indos. This wld probably reduce fiscal year 1951 total from about \$12 mil to about \$9 mil.

Dept wld appreciate ur comments.⁵

Rptd for info: AmEmbassy London 3697.

ACHESON

⁴ Not here printed; excerpts from telegram 1032 from Djakarta, February 3, that deal with the Pacific Pact are printed on pp. 145-147.

⁵ Ambassador Cochran responded in telegram 1061 from Djakarta, February 11. In that message, he recommended that "FY '52 Indonesian ECA program be eliminated and FY '51 program be restricted to projects already formally approved or otherwise committed Indonesians. Exception would be to provide for continuance J. G. White Engineering Company under terms contract only recently concluded between it and Indonesian Government." (S56D.00-R/2-1051) The J. G. White Engineering Company had entered into a two-year contract with the Indonesian Government to survey harbors, railroad facilities, telecommunications, and various industries such as mining, hydroelectric power, and civil aviation to ascertain their potential for future expansion. ECA financed the contract.

S56D.00-TA/2-1451: Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, February 14, 1951—5 p. m.

855. Fol recommendations approved by UNSecy for FE action:

1. Inform ECA Dept will not support before Budget Bureau Indo program for this FY beyond projects already substantially agreed with and committed to Indos. Judge this will cut ECA FY '51 proposal from \$12,767,000 to about \$9 million.

2. ECA and Budget Bureau be also informed (1) above represents initiation of windup grant aid operation; that during remainder of FY opportunity will be found or made explain to Indos that:

(a) believe econ conditions do not warrant initiation fiscal '52 ECA grant program in Indo; but that

(b) all our resources will be exploited to fullest assist Indo finding such Amer technicians they believe they need and willing pay for themselves;

(c) in line with policy favoring multilateral UN action we will take special interest assisting through UN orgs further implementation of already elaborate plans for UN tech assistance activities in Indo;

(d) will continue be sympathetic and receptive in future as proved in past to Indo applications under Ex-Im credit;

(e) will have special concern, within limitations of statutory and administrative possibilities, and security needs ourselves and allies, see that Indo gets her fair share scarce or allocated commodities from US, both for her gen needs and particularly in actual carrying out Ex-Im Bank loan contracts.

Gist of paras 1 and 2(a) being notified to ECA by ltr today as Dept position, including specific request that full two year term White contract be financially covered under FY '51 program.¹ ECA being requested withhold any comment to Indos until final Wash action on this Dept position. At that time, you will be notified, and Dept has complete confidence you will be able notify Indos of action in manner that will not give them any reason believe cessation grants was conceived as punitive measure.

This tel not being distributed outside Dept.

ACHESON

¹ According to a typescript note on the Department of State's file copy of a letter dated February 20, from Assistant Secretary of State Rusk to Mr. Robert Allen Griffin, the Director of the Far East Program Division of the Economic Cooperation Administration, a letter embodying these proposals was sent to ECA several days earlier. With the exception of the last three sentences, the text of the letter was the same as that of the letter of February 20, which is printed on p. 605.

856D.00-TA/2-1551 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET NIACT

WASHINGTON, February 15, 1951—7 p. m.

864. Eyes alone Cochran from Lacy. Soedjatmoko ¹ in informal conversation with Dept officer today showed excitement over "rumor" that Dept reconsidering ECA grant aid program Indo. Without comment on Indo need or lack of need for program, he strongly emphasized obvious prediction that if aid cut off in abrupt or even slightly tactless manner, leftists will gain great polit capital expense US. He implied PNI, PKI, etc will charge US cut off econ aid as punishment for Indo's "neutral [position?]" in UN. He further claimed termination program wld shake many moderate Indos confidence in US friendship for Indo.

¹ M. Soedjatmoko, Counsellor of the Indonesian Embassy in the United States.

Since ECA reply Dept recommendations (Deptel 855, Feb 14) not yet recd, final Washington decision on FY 51 and 52 ECA programs Indo not yet reached.

In view foregoing evidence that Indos here aware current discussions re ECA program, Merchant plans call in Indo Amb ² Feb 19 describe character of tentative consideration now being given ECA program, taking line of Deptel 855, Feb 14 with particular attn items (a) through (e) as evidence strength continuing US friendship for Indo.

Despite Soedjatmoko's fears, Dept believes on basis of evidence recd in past few months that US risks more polit loss by continuing than by terminating program, particularly if termination done correctly in Indo eyes. Dept wld probably announce termination in statement containing congratulations Indos on greatly improved fin position which decreases need for continuing large scale US econ aid. It wld further be pointed out that program continuing through FY 51 with approx \$9 mil specific projects and that program continues include technicians requested by Indo Govt under White contract.

You authorized hold similar conversation with Roem or other appropriate official Djakarta when necessary.³

Report immed (1) ur estimate validity fears such as raised by Soedjatmoko, (2) ur suggestions best method present termination program, if so decided, to Indos, (3) ur suggestions as to above approach and any other matters that shld be raised with Indo Amb here. [Lacy.]

ACHESON

² Dr. Ali Sastroamidjojo.

³ In telegram 867 to Djakarta, February 16, which is not here printed, Ambassador Cochran was instructed not to hold conversations with Indonesian officials regarding the termination of ECA aid to Indonesia until he had received further instructions (856D.00-TA/2-1651).

756D.00/2-1551

Memorandum by the Director, Office of Philippine and Southeast Asian Affairs (Lacy) to the Assistant Secretary of State for Economic Affairs (Thorp)

SECRET

[WASHINGTON,] February 15, 1951.

Subject: Indonesia's Political Position

1. I enclose as requested a selection of telegrams (and one despatch) from our Embassy at Djakarta bearing on Indonesia's political position in relation to the United States and to Communism, with particu-

lar reference to the resultant Indonesia attitude on US economic aid.¹ Since some of these enclosures are lengthy, an effort has been made to outline in ink the most important sections.

2. In the approximate fourteen months of Indonesia's independent existence the dominant characteristic of its foreign policy has been "neutrality" in the East-West conflict. As pointed out in Djakarta's despatch 560, Indonesian labor, youth and the Indonesian press has shown a marked drift toward the left. The Army, called upon to take action equally against Communist and fanatic Moslem groups, is avoiding committing itself on general issues. Government officials and intellectuals are split. Speaking generally, many Indonesians appear to believe that Indonesia has less to fear from Communism than from American efforts to combat Communism.

This attitude has shown itself specifically in Indonesia's lack of readiness to accept American technicians and economic aid, as mentioned in the attached telegrams. Parliament approved the Exim Bank loan on November 2 by a vote of 90 to 17 (with 50% of the members abstaining), but has so far failed to take any action on ratifying the US-Indo economic bilateral agreement.²

In the face of this attitude, and cognizant of the very real internal difficulties faced by the Indonesian Government, we have attempted to pursue a policy of patience and perseverance. This continues to be our policy, although at the moment we consider it necessary to apply more pressure in order to make the Indonesians realize that friendship between nations must be a two-way relationship.

¹ The eight telegrams and one despatch attached to this memorandum are not here printed. The telegrams from Djakarta were as follows: No. 545, October 20, 1950; No. 594, October 31, 1950; No. 604, November 3, 1950; No. 896, January 8, 1951; No. 1002, January 26, 1951; No. 1032, February 3, 1951; No. 1061, February 10, 1951; and No. 1083, February 14, 1951. The despatch was No. 560, January 19, 1951.

² The reference is to the ECA agreement signed at Djakarta on October 16, 1950. See footnote 2, p. 594.

756D.00/2-1551

Memorandum of Conversation, by the Director, Office of Philippine and Southeast Asian Affairs (Lacy)

SECRET

[WASHINGTON,] February 15, 1951.

Subject: State-ECA Relations in Indonesia

Participants: ECA—Mr. Allen Griffin

PSA—Mr. Lacy

Yesterday I invited Colonel Griffin to lunch with me at the Metropolitan Club to discuss what he had described to me on the telephone

the morning of the same day as a really bad state of affairs in Indonesia. As we met in the bar of the Club I remarked in answer to Colonel Griffin's question as to how I was faring, that my Department was dreading the next attack on some of its officers which we understood Senator McCarthy¹ was about to release. Colonel Griffin remarked that, "your fat friend in Indonesia is providing McCarthy with excellent ammunition". Lacy: "Whom do you have in mind?" Griffin: "Cochran, of course." Lacy: "How in the world can you think that Cochran supplies ammunition to McCarthy?" Griffin: "Because Cochran wants the U.S. to pull out of Indonesia, thereby turning the place over to the Communists." At this point I thought it best to make out that Griffin had offered a sour joke so I told him not to be so extravagant and bought him a drink. Griffin returned to the attack, however, by asking me if I had received instructions from the Secretary to change what he understood to be our policy in Indonesia. I replied that I had no instructions from any of my superiors to change our policy in Indonesia but that I thought he must put his question in a more explicit form. Griffin said that he assumed that the Department wanted to pull out of Indonesia and that he believed this contrary to extant U.S. policy toward that country. I replied that I assumed that he made such a statement on the basis of previous conversations he had had with me and Mr. Merchant in which we had told him that we were considering recommending that the ECA Program for Indonesia be severely curtailed after fiscal year 1951, that this was one of the things I had in mind discussing with him at lunch, that as he knew, I thought the ECA program should be so curtailed, but that my position should under no circumstances be interpreted as indicative of a decision on the part of the Department to "get out of Indonesia". Mr. Griffin said that Ambassador Cochran's attitude made him suppose that we wanted to let Indonesia go to the Communists. At this point, feeling my blood pressure rise, I told Griffin that I thought it a matter of the highest importance that he and I continue to be good friends, that I was determined to do so because so much of the success of the U.S. policy in Southeast Asia depended upon our getting along, but that I could not continue to accept direct and indirect aspersions upon Mr. Cochran's ability and patriotism. Griffin: "What Cochran needs is a psychiatrist. I really think he has gone off his head." Lacy: "Now that's the sort of thing I cannot stand for." Griffin: "Cochran has made an abysmal mess of American relations with Indonesia[""] and now, by wanting to kick ECA out of the country and by getting hard-boiled with the Indonesians in the matter of supporting the U.S. in Korea, joining

¹ Joseph R. McCarthy of Wisconsin.

the Pacific Pact, and related matters, was making bad matters impossible. I then took occasion to give Colonel Griffin a spirited lecture on U.S. policy in Indonesia; on the role Mr. Cochran had played in the solution of the Dutch-Indonesian dispute and in the complicated and delicate operation which followed, the purpose of which, as he perfectly well knew, was to draw Indonesia in the direction of the American system. I told him that on several occasions it had been necessary for the Department to be tough on the Indonesians and on other occasions to be gentle with the same people; that Mr. Cochran's record was one of almost unparalleled success in achieving what he was told to achieve; that I did not take kindly to criticism of a complicated, delicate operation extending over a period of some four years from "Johnny-come-latelys" like himself, representing as he does, an organization full of "Johnny-come-latelys". I then told him that I was sorry to speak to him so bluntly and that I was obliged to confess that I was on the verge of losing my temper. Colonel Griffin cooled off considerably and insisted on buying the lunch. He fired, however, this parting salvo: That I should understand that whether Cochran remained or not, relations between the U.S. and Indonesia would be determined from now on by the relations between the Indonesian Government and the "Claimant Agency"—ECA. I waited about twenty minutes before returning to this statement.

During luncheon I told Colonel Griffin that we were addressing a letter to him which would set forth our views on the curtailment of the ECA program in Indonesia and that we thought it a matter of the highest importance that the Indonesians get no wind of the problems we were discussing until complete agreement had been reached and we could present an united front and more so, that the Indonesians would not be provided an opportunity to deduce that such curtailment could be regarded as punishment for those aspects of their foreign policy which we did not like. Colonel Griffin agreed, said that he would show the letter only to his superiors and asked that it be sent to him by safe-hand.²

I also discussed the inclusion of Mr. Frederick McGuire (recommended by Father McGuire) on the Philippine STEM.

Mr. Griffin again brought up the matter of Mr. Cochran. He said that he had no personal grievance against Mr. Cochran whom, in fact, he liked. He agreed that Mr. Cochran had done brilliant work on Indonesia but he thought his usefulness was at an end. I told Colonel Griffin that I could hardly disagree with him more and that I must warn him in good nature that if he or his agency intended to "get" Cochran, they'd have to take me on too. He laughed and

² See footnote 1, p. 596.

said that he would go to any lengths to avoid that. I questioned him as closely as I could to discover what his real complaint of Cochran was. His answers seemed to boil down to the following:

1. Mr. Cochran had a psychopathic obsession that he and he alone understood what U.S. policy toward Indonesia should consist in; that other people knew better than Cochran.

2. That Mr. Cochran had not raised the American flag in front of the ECA building in Djakarta until Bill Foster³ had threatened to telegraph the President.

3. That the Department's belief that the ECA program for Indonesia should be curtailed was the result of Mr. Cochran's view that it should be curtailed; that Mr. Cochran's view was based on his statement that the Indonesians did not want the program; that he and the ECA people in Indonesia knew perfectly well that the Indonesians did want the program.

4. That Mr. Cochran hated ECA and all economists anyhow.

I told Colonel Griffin that,

1. Mr. Cochran had been enthusiastic about the ECA program when it was known as the Griffin program but that since that time, we were convinced the Indonesians for various reasons had decided that they did not want the full program and that as we knew, the Indonesians, since that time, had gotten rich.

2. That we believed, with Mr. Cochran, that the time had come to press the Indonesians to face the realities of the war between communism and the free world and that Cochran's view of the curtailment of the ECA program had nothing in particular to do with the larger strategy; that Cochran believed, and we believed, that it was an evident folly to force a large ECA staff on the Indonesians who neither wished nor needed the services that that staff was designed to provide.

3. That I knew nothing about the flag-raising incident but that I had never heard anybody doubt Mr. Cochran's long-proven patriotism—although I had heard him described as an American chauvinist.

4. That the Department of State would continue to make its decisions on the basis of Mr. Cochran's reporting and his recommendations; that, as he knew, Mr. Cochran and the Department had access to information which ECA did not have; that this would continue to be the case as long as the State Department continued to perform its functions as a foreign office—in short—I would not undertake to make available to Colonel Griffin everything that the Department received on Indonesia because I would continue to hold that the governing political decisions were for the Department of State to make and not for ECA; that Mr. Cochran, far from hating all economists and ECA, had, as a matter of fact, acted as an economic officer far longer than as a political officer, and that I regarded his views on economic matters as particularly valuable.

³ William C. Foster, Administrator, Economic Cooperation Administration.

Colonel Griffin said that Mr. Cochran had humiliated Americans in Indonesia. When asked to explain this statement, he said that Mr. Cochran had compelled Mr. Smart ⁴ to live in a small room in the Hotel Des Indes while he, Mr. Cochran, had lived in a large house. I pointed out that Mr. Cochran had lived in a small room in the Hotel Des Indes for a year and a half and had made no complaint; that, moreover, Mr. Cochran had turned over to Mr. Smart the best office building he had. I took occasion to ask Griffin if he had any idea how irritating Smart's activities were to Mr. Cochran. Griffin said no. I asked him if he had read Smart's letter addressed to him, copy of which Mr. Cochran, as Chief of STEM, had sent to Mr. Merchant ⁵ and me, in which Smart proposed the establishment of certain quasi government organizations in Indonesia in which Americans would serve not as advisers, but as executives. I said that I considered this kind of proposal sheer lunacy and would destroy any possibility of the successful execution of American policy in Indonesia. Griffin said he had not read the letter and was not inclined to do so because, for my information alone, he intended to take Smart out of Indonesia. I asked him if he had read Dr. Warner's ⁶ speech made in Honolulu. Griffin said he had not. I pointed out that these were examples of the folly and disloyalty which some of Cochran's ECA staff had exhibited. (I think this impressed Griffin somewhat).

As we parted after lunch, I again told Colonel Griffin that I was determined to work this problem out with him and that I judged our friendship could survive these vicissitudes of official life. He heartily agreed and said that he realized that discussions of this sort were absolutely necessary. We agreed that we would very possibly have to go through some more hot sessions but that we would resolve together to control the situation so that it would not get out of hand and would not contribute to the deterioration of the relations between the Department and ECA. On this happy note, we parted on the steps of the Old State Building at 2:30 p. m.

Addendum to Memorandum of Conversation

On at least one occasion during the course of the conversation described in the foregoing, I took occasion to remark that the happy relations which existed between the STEMs in other parts of South-east Asia were due to the different circumstances, both political and economic in which the STEMs and our Missions were operating.

⁴ Joseph Smart, Deputy Chief, STEM Mission in Indonesia.

⁵ Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs.

⁶ Howry H. Warner, Agricultural Officer, STEM Mission in Indonesia.

S56D.00-TA/2-1751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET NIACT

DJAKARTA, February 17, 1951—3 p. m.

1103. Eyes only Lacy from Cochran. Last night received your 864 and this morning 867.¹

I have not spoken with Roem or other Indonesian officials re possibility curtailment aid programs except as specifically reported in cables to Department.

There is, of course, possibility some repercussion such as Sudjatmoko² suggests whenever it may be deemed advisable or necessary to reduce or reconsider ECA grant-aid program Indonesia. I agree with you our political risk may be less in now correctly terminating than in indefinitely continuing. At same time I do not insist upon complete curtailment aid other than engineers (who I would recommend remain) if from Merchant's conversation with Ali³ or if from any discussions you may authorize me have here it may be found opinion our Indonesian friends that present moderate government would be hurt rather than helped by decision toward elimination.

My suggestion is that Merchant tell Ali frankly that financial improvement Indonesia following our earlier ECA and current Exim-bank help has been such, as evidenced by gain in exchange and gold, current level of exports, et cetera, that Department does not feel justified in asking Bureau of Budget and Congress for grant-aid to Indonesia. Ask Ali if his government would be willing join our government in statement to effect two governments have agreed on winding up grant operations as spelled out in paragraphs 1 and 2 of Deptel 855. Ali should be informed of considerations set forth paragraphs *a* to *e* of paragraph 2.

If Ali thinks such decision and statement would not be helpful to his government and that latter would not agree thereto, then following could be advanced. Department would support continuation ECA grant-aid 1952 but would explain at time appropriation is requested, or on other most propitious occasion, that Indonesian situation has so improved that extensive grant not required. Department would however, ask for one million dollars 1952 to keep small select staff of technicians to study Indonesian problems and advise government thereon, working in cooperation with UN and other foreign aid representatives. Under this latter alternative funds would be largely for personnel and to very minimum to pay for imports.

¹ See footnote 3, p. 597.

² The reference is to M. Soedjatmoko, Counsellor of the Indonesian Embassy in the United States.

³ The reference is to Dr. Ali Sastroamidjojo, Indonesian Ambassador in the United States.

There will inevitably be some criticism whatever extent we curtail program. I think experiences most countries where we have aided in past have shown recipient governments predict their countries will go Communist or bankrupt if we let up on aid. In Indonesia impression certainly existed before advent Smart and ECA group that Griffin aid was conceived as one-time operation.⁴ Unfortunately Smart has led Indonesians expect continuing grant-aid and in proportions beyond reason. I am particularly concerned over interest he has been endeavoring arouse in US participation in long-term transmigration project. I have told you of his enthusiasm for setting up development corps to which I am opposed. I do not know where leak occurred which led Sudjatmoko to approach Department. I am sure, however, Smart will find it difficult adjust himself to restrict program and cooperate loyally with Embassy if he remains.

I believe it necessary that we progressively tighten with Indonesians both for their sake and our own. As I have told you, Sjafruddin⁵ as Finance Minister is doing his best to keep budget within reasonable limits, restrain Ministers from expenses other than of productive character, and avoid inflation. Java Bank head⁶ is also, in interest of Indonesia well as his bank and soundness of Indonesian currency, endeavoring halt trend toward excessive drawing by government on Central Bank. I am working closely and secretly with Kuiper⁷ to achieve stabilized currency. Such programs as Smart would undertake involve of necessity more rupiahs and government drawing on Central Bank therefore. I think we risk making second Philippines out of Indonesia by encouraging them be extravagant or look to us for continuing charity.

If we reduce appropriation to one million dollars for 1952, this should mean having only small number technicians and supporting staff constitute STEM Indonesia. By keeping group much smaller than Smart has recommended for 1952 we could relieve Indonesians of our pressure for housing and of charges from left that too many Americans coming in to run country. Any compromise with ECA on continuing 1952 program should therefore involve definite agreement on strictly limited personnel and on understanding, they would not themselves take initiative or encourage Indonesian Government to request funds for projects that would oblige us go beyond limits herein-before envisaged, or put us in position of having to refuse such requests.

⁴ The reference is to the visit of Mr. R. Allen Griffin and his survey team to Southeast Asia in March and April, 1950, to develop recommendations regarding initial economic and technical aid to the area. For documentation on the Griffin Mission and related activities, see *Foreign Relations*, 1950, vol. VI, pp. 1 ff.

⁵ Prawiranegara Sjafruddin.

⁶ Dr. A. Houwink.

⁷ John Denis Kuipers, Director, Foreign Exchange Institute of Indonesia.

Smart has already been active in soliciting requests that I feel his remaining here under revised program would be undesirable. His tactics have already caused Embassy more worry and strain with Indonesian Government than any problems that have arisen since Embassy established. In any circumstances I think he should be withdrawn. If ECA genuinely desirous assist US maintaining happiest and most helpful mutual relations with Indonesia, ECA should agree leave policy matters entirely in hands of Embassy and have on duty Indonesia only technicians and small supporting staff responsible to Ambassador. If Smart is removed, I can carry on ECA supervision provided STEM has competent executive or administrative officer who will follow my instructions and provided Department assigns me one senior FS economic officer who could help me with STEM work and act in my stead with STEM when I am absent. With such arrangement we could easily work out matter of supplies and priorities.

COCHRAN

856D.00-TA/2-2051

*The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Director, Far East Program Division, Economic Cooperation Administration (Griffin)*¹

SECRET

WASHINGTON, February 20, 1951.

DEAR MR. GRIFFIN: The Department of State has been giving careful consideration to the advisability of maintaining the existing ECA grant aid program in Indonesia. While the Department recognizes that financial need is by no means the sole criteria by which the institution or continuation of a grant aid program should be determined, it is clear that such aid cannot, in any event, be justified in the absence of a demonstrated desire and willingness on the part of the recipient government to furnish the cooperation necessary to achieve the success of the program. In the absence in Indonesia of this essential element, it is the view of the Department of State that:

(a) The fiscal year 1951 ECA grant aid program should be restricted to projects already committed to the Government of Indonesia, including financing for the full two-year term of the J. G. White contract.

¹ A notation at the bottom of the source text reads: "(Note: See attached blue for initials. The only change in the letter is the addition of the final three sentences of the last paragraph which in the revised letter suggest consultation between the Department and ECA. Messrs. Matthews and Stinebower were informed of this revision before the revised letter was handed to Mr. Griffin on February 20. It is believed that all carbons of the original letter of February 14 have been collected and destroyed, together with the signed original which Mr. Griffin returned to Mr. Rusk.)"

(b) No fiscal year 1952 ECA grant aid program for Indonesia should be conducted, except for the J. G. White contract.

To recapitulate the facts on which this position is based, I find that Indonesia's gold and dollar exchange position has improved so greatly during the past year that it no longer requires grant aid to buy commodities or services from the United States; that this favorable position is likely to continue; and that at best grant aid would constitute only a small complement to Indonesia's import program. Given Indonesia's strong nationalist feelings, the present state of its governmental services and organization, and its unsettled internal conditions, the acceptance of considerable numbers of American technicians under United States Government control and their effective utilization by the Indonesian Government would be precluded.

Accordingly, the Department of State believes that the presentation by the Economic Cooperation Administration of its budget for additional amounts for Indonesia for the fiscal year 1951 and for the entire fiscal year 1952 should be modified to conform to paragraphs (a) and (b), above. I am most anxious to discuss with you the views expressed above in order that we may arrive at an agreed position between the Department and ECA prior to any appearance before the Bureau of the Budget and prior to any communication to the Indonesian Government which would lead it to believe that a final decision had been reached. The manner of informing the Indonesian Government of any final decision will also require careful thought and handling. I shall be delighted to get together with you to discuss this matter further at any time convenient to you.

Sincerely yours,

DEAN RUSK

856D.00-R/2-2451 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, February 24, 1951—5 p. m.

908. Rusk today informed Indo Amb that in view increasing US defense expenditures ECA programs which are current scheduled for annual routine consideration by Budget Bureau and Congressional Appropriations Committee expected to receive severe examination. In respect each recipient country particular attention probably will be paid to: 1) its financial and foreign exchange position, 2) evidence that ECA program being received with sympathetic interest.

Rusk made it clear current study applies only ECA programs and due only to necessity US budgetary justification. He emphasized that consideration bears no relation, for instance, to Indonesia's voting in UN, although he might like to discuss this and other aspects Indo's

broad foreign policy other occasion. Rusk asked Ali's views on applicability above criteria ECA program Indonesia.

Ali replied he understood how impressions might arise, through delicacy with which his Govt has to handle difficulties with Indo parliament and disorderly elements in Indonesia, that ECA program not being warmly received. He stated with emphasis, however, that his Govt strongly desires continuance ECA program, and that despite housing difficulties, it desires receive Amer technicians (provided they are tactful and understanding) in limited numbers, if available. He added he had heard rumor about 2 weeks ago that US Govt considering cutting off all economic aid. These rumors disturbed him and he cabled his Govt [but?] he will now correct.

WEBB

756D.5-MAP/2-2851

The President to the Secretary of State

SECRET

WASHINGTON, February 28, 1951.

MY DEAR MR. SECRETARY: I have today allocated to the Department of Defense the sum of \$2,000,000 from funds made available by the Second Supplemental Appropriation Act, 1950¹ to carry out the provisions of section 303(a) of the Mutual Defense Assistance Act of 1949,² as amended.

The allocated funds are to be utilized for programs of military assistance to Indonesia. These programs are to be prepared in general conformity with your letter of February 8, 1951 to the Director of the Bureau of the Budget.³

Sincerely yours,

HARRY S. TRUMAN

¹ Approved July 26, 1950; 64 Stat. 373.

² Approved October 28, 1949; 63 Stat. 973.

³ Frederick J. Lawton. In this letter of February 8, from Secretary of State Acheson to Mr. Lawton, which is not here printed, Mr. Acheson asked that the remaining \$2,000,000 of an original \$5,000,000 budgeted for equipping the Indonesian constabulary be allocated immediately to the Department of Defense to continue the program (756D.5-MAP/2-851).

756D.56/2-751

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to Mr. John D. Small, Chairman, Munitions Board, Department of Defense

WASHINGTON, March 9, 1951.

DEAR MR. SMALL: I wish to ask you to facilitate, by issuance of a Defense Order Priority to the Willys-Overland Export Corporation,

the procurement of the following materiel requested by the Ministry of Defense of the Republic of Indonesia :

1,700 Universal Jeeps CJ3A 4 x 4
1,250 Personnel carrier jeeps 4 x 4
25 Fire Engine jeeps 4 x 4

In a note of February 7, 1951, the Republic of Indonesia requested the assistance of the Secretary of State in obtaining steel allocations necessary for the production and procurement of these, as well as other, vehicles.¹ It did not prove necessary that a Defense Order be secured for the procurement of vehicles other than the jeeps. The Economic Cooperation Administration, as claimant agency for Indonesia, has recently discussed with members of the Munitions Board the issuance of a Defense Order for the enumerated jeeps.

The Economic Cooperation Administration has now indicated to the Department of State that it would be desirable for this Department to express its active interest in support of the Indonesian request. The following extracts from the Indonesian Government note referred to are in my opinion an accurate statement of the Indonesian need, and I endorse them :

"In this connection, it may be pointed out that the procurement for the Ministry of Defense of the transportation equipment referred to above is a matter of the greatest urgency, since the maintenance of law and order in Indonesia depends to a very considerable extent on its use. The structure of the Indonesian forces and their task of maintaining security in Indonesia requires that the troops should have a high degree of mobility, and in order to attain such mobility, it is essential to provide the troops with motorized equipment such as specified above. In turn, the maintenance of peaceful conditions is a prerequisite for the stabilization and promotion of economic activity.

"In the past, conditions of insecurity caused by roaming, illegal bands have severely interfered with production in general, and in particular with the production and export of strategic raw materials, such as rubber, et cetera . . ."

As you know, our requests for further assistance from the Government of Indonesia in treating strategic materials problems have recently met resistance primarily because that Government, while wishing to assist us in meeting our import requirements, has asked that the Government of the United States in turn assist Indonesia with the latter's import requirements. It is particularly desirable that we take affirmative action in the immediate future on this month-old case before General Thomas B. Wilson of the General Services Administration leaves on his rubber buying mission to Indonesia. It would, in fact, be preferred that the Indonesian Government be noti-

¹ Not printed.

fied of favorable United States action on the Indonesian request during General Wilson's negotiations in Indonesia.

It has been suggested that the Government of Indonesia should apply directly to the Department of Defense for the procurement of these vehicles, and for a Defense Order for their production, as reimbursable procurement under Section 408(e) of the Mutual Defense Assistance Program legislation.² The Department of State believes this proposal to be unnecessarily complicated and probably impractical, because our exchange of notes with the Indonesian Government on military assistance is confined to materiel for the constabulary and the present request is made on behalf of the Ministry of Defense.

I recognize that the United States Government cannot be expected to and should not customarily use defense priorities as a convenient method of meeting foreign government requests for assistance. I should like, however, to request exceptional consideration, if such it be, for the Indonesian requirement for jeeps in view of the small amount of steel involved, the verifiable defense need of the Indonesian Government, and our own need to improve our bargaining position for Indonesian strategic materials.

Sincerely yours,

DEAN RUSK

² Approved July 26, 1950; 64 Stat. 373.

357.AA/3-1251

Memorandum by the Director, Office of Philippine and Southeast Asian Affairs (Lacy) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] March 12, 1951.

Subject: Dissolution of UNCI

The dissolution of UNCI has been discussed by United States representatives with other members of the Commission, and with the Netherlands. To date, the Belgians and the Australians have indicated they will not agree to the early dissolution of the Commission unless the Dutch concur.

The Netherlands approached us on November 20 in regard to the dissolution of the Commission. They opposed its liquidation or curtailment of its activity at that time because the demobilization of the ex-KNIL had not been completed; there was no agreement on New Guinea; and because of the possibility that dissolution might be interpreted as acquiescence in the negation by Indonesia of the right of self determination.¹

¹ For documentation, see *Foreign Relations*, 1950, vol. VI, pp. 964 ff.

Our present information from Djakarta indicates that the KNIL problem will probably be cleared up sometime in May. In regard to New Guinea, in view of the attitude expressed by Australia we do not believe that the Commission is competent to decide the substance of this issue. The Indonesians for their part have indicated that because of Australia's participation they would not accept a solution by the Commission. The Commission could possibly be called upon, however, for procedural suggestions to solve the problem.

The question of the right of self determination has not been raised for sometime and the unitary state was established last August. We do not see how dissolution of the Commission could at this time be interpreted as acquiescence in the negation by the Government of Indonesia of the right of self determination.

At the beginning of February we requested our Embassies in Canberra, Brussels and The Hague to attempt to secure agreement on a target date of March 31 for the dissolution of the Commission. The Netherlands informed us that they believed a target date of March 31 was premature but that they could see no objection to the dissolution of the Commission following the solution of the KNIL problem. At this time we attempted to secure agreement with the Netherlands in Djakarta that barring any new developments and immediately following the solution of the KNIL problem that the Commission (a) report to the Security Council the conclusion of its work and recommend its dissolution and (b) disband leaving caretaker functions to members of the respective Embassies in Djakarta until such time as the Council notes and approves its report.

On February 27 the Dutch informed us that they will agree to the withdrawal of the Commission's Secretariat and Military Observers following the solution of the ex-KNIL problem but that they do not want to see the Commission formally dissolved for the following reasons:

1. They consider the Commission should remain in being so long as the Indonesian question is on the agenda of the Security Council.
2. Other similar United Nations Commissions have not heretofore been formally dissolved.
3. Domestic political considerations in the Netherlands render agreement on the complete dissolution of the Commission at this time impossible.
4. Should the need for United Nations machinery in Indonesia again arise, they believe it would be impossible to establish another commission in the Security Council whose composition would be as acceptable as the present one.

These reasons are not compelling from our point of view.

1. There is no necessary connection between the Indonesian case's being on the agenda of the Security Council and the dissolution of the Commission. As the Netherlands must be aware there are a number of cases on the Council's agenda in which there are no commissions in the field. We would consider, and believe other Council members would concur, in the propriety of the case's remaining on the agenda of the Council after the Commission is formally dissolved.

2. Although it is true that other similar commissions have not been dissolved it is also true that the successful settlement of the Netherlands-Indonesian dispute was hailed by an overwhelming majority of the Members of the United Nations in December 1949. Presumably, therefore, there will be no reason for the Commission's continued existence after its one remaining job is completed. From the standpoint of good United Nations practice it appears to us that a commission which is not in fact active is detrimental to the United Nations and detracts from dignity of its members. We do not believe that United Nations field commissions should be maintained indefinitely on the chance that there may possibly be a need for them at an unforeseen later time.

3. We are sympathetic, of course, to Netherlands domestic political considerations vis-à-vis the dissolution of the Commission. The question of the dissolution of the Commission, however, has been under discussion between our two Governments since November of last year and we hope that Dutch domestic problems in this regard will be resolved in the near future.

4. Although it is perhaps true that it would be impossible to establish another commission of the Security Council with a similar composition, it should be pointed out that other machinery of pacific settlement exists, such as the Conciliation Panel and the Peace Observation Commission and would be available if a legitimate need arose for its use. Furthermore, we believe that the present composition of the Commission would militate against its participation in the substance of the only problem with which we can foresee at this time that it might have to deal, i.e., the New Guinea problem.

Although it has no objection to another approach to the Dutch on this issue, WE does not believe the Dutch are likely to alter their present position substantially, at least until a new government is formed in the Hague. UNA favors dissolution of the Commission but feels that representations to this end should be subject to political considerations of our relations with the Dutch, the Indonesians and the Australians. Nevertheless, in view of the other considerations outlined above, I suggest that you call in Ambassador van Roijen² and

² J. Herman van Roijen, Netherlands Ambassador to the United States.

express to him our considered view that the Commission should be dissolved following the liquidation of the ex-KNIL issue.

357.AA/3-1251 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, March 12, 1951—2 p. m.

1233. Gocus 955. High Netherlands official indicated to me evening March 9 real reason Netherlands desires continuation UNCI in some form is Netherlands concern with possible decisions committee appointed by Indonesian Government re-examine union and RTC arrangements.

UNCI Secretary General Romanos¹ considerably exercised by suggestion terminate secretariat March 31 under plan (1) Gocus 954.² Strongly advised UNCI consult Secretary General UN³ before making such recommendation. Romanos understood plan (1) to transfer functions Djakarta Diplomatic Missions in acceptable Indonesian Government which he believed preferred total dissolution.

So many persons have made informal approaches to Netherland and Indonesian authorities re UNCI future that situation becoming confused. Seems to me best procedure would be UNCI either by letter or in meeting contact committee formally solicit Netherlands and Indonesian views concerning UNCI future in light new conditions resulting from pending solution KL and ex-KNIL problems. Please instruct soonest. All agree here present occasion be seized reconsider UNCI status. Signed Beam.

Department pass The Hague; sent Department 1233, repeated The Hague 121.

COCHRAN

¹ J. A. Romanos.

² In telegram 1226(Gocus 954) from Djakarta, March 9, Ambassador Cochran reported that Mr. Beam had been informed by the Netherlands representative on the UNCI that his government apparently had two plans for the disposition of the UNCI. The basis of the first proposal was that military observers and the UNCI secretariat would be removed from Indonesia on March 31, and UNCI functions would be transferred to the members' regular diplomatic missions in Djakarta on an indefinite but continuing basis. The second proposal was that the Netherlands would probably agree to the withdrawal of the present UNCI representatives from Indonesia if the member nations on the commission would continue to constitute the UNCI in order that it could meet anywhere in the world if either RTC party demanded that it be convened. (357.AA/3-951)

³ Trygve Lie.

357.AA/3-1251 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, March 12, 1951—7 p. m.

PRIORITY NIACT

977. Usgoc 495. Reur 954¹ and 955 Dept concurs your suggestion that UNCI formally solicit Netherlands and Indonesian views concerning Comm. Dept's position still as you stated that we advocate formal early dissolution. Believe that Comm's action shld at this time be aimed at eliciting formal expression views of parties on this matter in view pending solution KL and ex-KNIL problems.

Sent to AmEmbassy Djakarta priority niact 977; repeated USUN New York 775, AmEmbassy The Hague 1033.

WEBB

¹ In telegram 1226 (Gocus 954) from Djakarta, March 9, Ambassador Cochran reported that Mr. Beam had again reiterated to his colleagues on the UNCI that the United States still favored the complete dissolution of the UNCI at the earliest possible date because of Indonesia's opposition to its continuance (357.AA/3-951).

756D.5-MSP/3-1351

Memorandum by Mr. Samuel T. Parelman, Special Assistant for Regional Programs to the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Acting Officer in Charge, Indonesian and Pacific Island Affairs (O'Sullivan)

SECRET

[WASHINGTON,] March 13, 1951.

As you know, there has been no proposal for a 1952 assistance program for Indonesia. However, we have been advised that a program totaling \$200,000 will be included in the MDA program for 1952 for miscellaneous operating and transportation costs. I am attaching for your information a copy of the DD-318 covering this material.¹

¹ Not printed.

756D.00/3-1451 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, March 14, 1951—6 p. m.

1248. Visited President Sukarno¹ morning 14th his request. President stated departing 22nd for tour East Sumatra to assist govern-

¹ Dr. Ahmed Sukarno.

ment officials there achieve better law and order. He said outlaw bands recently encountered there as well west Java included Dutchmen. He feels Netherlands interest still endeavoring sabotage Indonesian Government. I expressed my concern over deterioration security. I cited recent murder US citizen M. B. Jones and referred unhappiness my government over failure Indonesian Government apprehend and punish murderers of Kennedy and Doyle. I recited difficulties American merchant shipping in Indonesian ports result pilferage and lack of police protection. President promised consult with Sultan of Jogja ² thereon.

I expressed hope President would utilize forthcoming and future tours to lead Indonesian people toward respect of government and rehabilitation country through cooperation and hard work. I reminded President of my observation made to him at Jogja [garbled group] in 1948 that it was within his power lead youth, labor and military of Indonesia either toward right or left. I said more convinced than ever that it devolves upon himself and Vice President Hatta ³ through their tours and statements and general leadership to provide guidance required to preserve for Indonesia sovereignty achieved with such great difficulty. I said thought situation slipping away from old group through indecision and lack of courage [garbled group].

Sukarno assured me he would make every effort strengthen forces of law and order. He expressed bitter regret that his "stupid political leaders" did not contribute more helpfully toward this end. I said could not speak on local politics but did feel Indonesian State was not being built-up and administered with either force or political sagacity which I had originally been inclined to expect. I said I had assured my government that once sovereignty was transferred and Indonesians had full responsibility for their country they would demonstrate courage and efficiency in cleaning up bandits and making Indonesia safe democratic place in which to live.

Sukarno told me in strictest confidence he anticipates political crisis shortly after Parliament convenes March 15. He said press had wrongly stated he would address Parliament opening session with speech on national budget. He said might talk on budget at later date. Said first business of Parliament would be to debate Hadikusumo ⁴ motion on abolition of local councils. Second matter would probably be turnover tax imposed by Ministry Finance. He thought chances were about even on opposition defeating government on either question. He said if turnover tax condemned by Parliament

² Hamengku Buwono IX.

³ Dr. Mohammad Hatta.

⁴ S. Hadikusumo, parliamentary leader of the PNI.

Finance Minister Sjafruddin would most likely carry out his threat resignation Parliament would probably vote no confidence. In event government falls President contemplates calling on Masjumi and PNI jointly to form government. Said would depend upon 2 parties as to which would provide Prime Minister. Said he had discussed this procedure 3 days ago with PNI leader Sidik.⁵ Sukarno wanted assure me participation by PNI in government would not mean lessening of friendly attitude Indonesian Government toward US. Said he had expressly questioned PNI leader in above-mentioned interview whether his party would be for US or Communism if it shared in Government. Said response was definitely in favor US. Sidik reminded Sukarno his group had helped put down Communist rebellion 1948. Insisted, however, that if his party is now in government it would likewise want campaign against such elements now threatening peace of Indonesia. Sukarno said Sidik made reservation that friendship for US should not be proclaimed loudly but be definitely understood and demonstrated by acts. I said I had little contact with PNI leaders but had been led believe trend of government might be leftward if PNI participated therein. Sukarno insisted US would have nothing to worry about on this point. Sukarno urged necessity of change from inactive and indecisive policy being followed by Natsir Government.

I expressed concern over what appeared to me to be growing inclination of Indonesians to mistrust US and hesitate to accept in good faith assistance which we had offered. Sukarno blamed irresponsible Indonesian press principally for any unfriendly attitude toward US that I may have sensed. He was bitter over recent press attacks upon himself. He said he knew press reports to effect I had endeavored influence Natsir remove Assaat⁶ from his Cabinet were absolutely false. He said Assaat had written Natsir various occasions requesting be relieved.

Sukarno said he had started recent trip to Sukabumi with some question in his mind as to what his reception would be following critical press articles. He said he found enthusiasm and loyalty even greater than he could possibly have hoped for. He said it gave him renewed courage to travel through troubled areas of Archipelago and [apparent omission] unification of his people. He regretted, however, that Djakarta press accepted statement of one SOBSI trouble maker to effect Sukarno's visit had incited unrest rather than helped situation in West Java.

I sympathized with President in turn on press campaign and said I hoped he would not think there was any lessening of interest on

⁵ Sidik Djojokusarto, Chairman of the PNI.

⁶ Assaat, Minister of the Interior.

part US and my Embassy to help Indonesia to greatest extent possible. I cited, however, failure Indonesian Government respond to Melby mission last summer ⁷ and more recent delay in accepting or even answering our proposals under Fulbright arrangement and Point IV program. When I explained these matters Sukarno promised take up at once with Minister of Education ⁸ possibility getting in some American teachers. When Sukarno remarked US teachers much more expensive than either Netherlands or most other foreigners, I explained we were willing pay their salaries. He thought concern of his officials might come therefor from fear of criticism of propaganda effort on part US if teachers known to be provided at US Government expense. He asked if arrangement could not be made whereby Indonesian Government would pay salaries considered reasonable for Netherlands teachers and leave any balance to be made up by US. I suggested Minister of Education approach us on this subject if interested. Sukarno insisted Indonesia still desires our friendship and our support, provided no great publicity or US flag-waving involved and provided sympathetic Americans in modest numbers participate in aid programs. He still favored policy he had frequently mentioned to me of "more books but not agents".

In answering question whether today's ANETA report correct that Indonesian Government had agreed opening 4 Communist Chinese consular offices in Indonesia at Djakarta, Medan, Makassar and Bandjermasin, Sukarno confirmed this. He said his officials aware troubles being incited by Chinese Government representatives here but have not been able produce definite proof and had no choice but permit opening offices in question following long delay already involved.

I asked if inclusion PNI in government would mean dissolution union with Netherlands. He said PNI definitely favors breaking of union but he still uncertain whether Parliament would decide by majority in favor such action. He felt, however, that following Netherlands failure last December to agree on transfer sovereignty over Irian, anti-Netherlands and antiunion sentiment has definitely grown and is now not only sentiment of PNI and other strong nationalists but of most of country in general. He said acquisition of Irian would do much to consolidate country, relieve growing antagonism toward Dutch and facilitate establishing better unity with consequent improvement in law and order. He said he understood US problems but still hoped we could take more positive stand in favor Indonesian position in Irian.

COCHRAN

⁷ The reference is to the Melby-Erskine Mission. For documentation, see *Foreign Relations*, 1950, vol. vi, pp. 1090 ff.

⁸ Dr. Bahder Djohan.

398.2395/3-1651 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, March 16, 1951—5 p. m.

991. Ref Embtel 1198, Mar 6,¹ Deptel 955, Mar 7.¹ Pls inform Indos, particularly Zain,² that in response to desires expressed by Indo Del at London, Wilson of GSA (whom Zain met in London) accompanied by Coerr,³ proceeding Djakarta to explore:

(1) possible US-Indo long term rubber purchase contract, which Wilson will be empowered to conclude if mutually satisfactory agreement achieved.

(2) gen-rubber problems on which discussions were initiated in London and which will be contd when rubber conference reconvenes at Rome Apr. 9.⁴

Since GSA is civilian org, Wilson prefers not use his title "Gen", in order avoid needless confusion this trip. He is proceeding via Tokyo, present ETA Djakarta Mar 28. After Djakarta talks he will proceed Rome to join US Del which will include Armstrong⁵ and O'Sullivan.

Coerr ETA Djakarta 3:10 p. m. Mar 22 KLM flight 821 from Amsterdam.⁶

ACHESON

¹ Not printed.

² Dr. Zairin Zain, Chief of the Economic Section of the Indonesian Foreign Office.

³ Wymberley D. Coerr, Office of Philippine and Southeast Asian Affairs.

⁴ Documentation on the London and Rome rubber conferences is scheduled for publication in volume II.

⁵ Willis C. Armstrong, Acting Special Assistant to the Acting Director, Office of International Materials Policy.

⁶ In telegram 1273 from Djakarta, March 20, Ambassador Cochran reported that the Indonesian Foreign Minister was pleased that General Wilson and Mr. Coerr were going to Djakarta before the Rome meeting (398.2395/3-2051).

357.AA/3-1651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, March 16, 1951—7 p. m.

1261. Gocus 957. After seeing Lamping¹ yesterday Australian chairman Gilchrist² completed canvass Netherlands and Indo views UNCI future (Gocus 956).³ Gilchrist told me orally position respec-

¹ A. T. Lamping, Netherlands High Commissioner to Indonesia.

² H. Gilchrist, Second Secretary of the Australian Embassy in Indonesia and Australian Representative on the UNCI.

³ In telegram 1239 (Gocus 956) from Djakarta, March 14, Ambassador Cochran conveyed Mr. Beam's news that the UNCI was telegraphing the Secretary-General of the United Nations that in view of the satisfactory implementation of the arrangements for withdrawing the Netherlands' troops from

Footnote continued on following page.

tive parties much as anticipated. Netherlands favored keeping UNCI in being in some form or other (Gocus 954).⁴ Indo FonMin Roem strongly advocated total dissolution UNCI. Gilchrist has impression Netherlands desires temporize seeking decision re UNCI pending shakedown new Netherlands Cabinet. Gilchrist also believed Roem for same reason wld not press for immediate decision. Gilchrist furnishing UNCI next day or so transcript his consultations.

March 14 Roem asked me call upon him state US position. I told him as indicated earlier talks with Ambassador Cochran we still favored early UNCI dissolution (Usgoc 495). Said we took this position impartially without reference whatever position Indo might adopt and simply because we believed it right procedure for all concerned. It was our feeling UNCI cld contribute nothing Netherlands-Indo relations and now that two governments had been working with each other as sovereign states for over year, established ways and means existed for settlement problems. Was well known Australia in impossible position UNCI re Irian function. Said Ambassador Cochran and myself strongly opposed suggestion UNCI affairs be transferred indefinitely UNCI nation diplomatic missions Djakarta since we believed it better US-Indo relations be dealt with here on bilateral basis without being confused by UNCI matters. Roem replied Indo also favored UNCI total dissolution. Said wld be damaging to UNCI good reputation if it contd in present state and with existing membership. Roem also thought Indo question shld be withdrawn from SC agenda. Roem said now that Indo was UN member was preferable its differences with Dutch be handled more normal means than by UNCI with present composition. Was aware Netherlands plans for keeping UNCI in form "shadows commission" which he opposed.

After reading Gilchrist's record conversations with Lamping and Roem, Ambassador Cochran and myself propose working on Australians along fol lines which we believe Dept shld likewise pursue with Canberra. With Indo party probably inclined refuse further cooperation with UNCI for reasons that can only be too clear to Australians, logical commission shld be dissolved. Australians in most invidious position since normally they would be expected support Indo wishes re commission's future. Only trouble can ensue from continuation present commission. Indo has disqualified Australia as adjudicating party in Irian question which is most important matter in which UNCI might have been of help. Danger exists Australia may

Footnote continued from preceding page.

Indonesia, the UNCI no longer needed the services of the military observers as of April 6, 1951. Both the Netherlands and Indonesian governments agreed. Mr. Beam also reported that the UNCI had agreed that Mr. Gilchrist should approach the Netherlands and Indonesian delegations to ascertain their views regarding the UNCI's future. (357.AA/3-1451)

⁴ See footnote 2, p. 612.

be publicly repudiated by Indo as acting in bad faith staying on UNCI. Australia accordingly shld join us in supporting UNCI dissolution. We consider this in Netherlands interest also since fail to see how commission which Indos consider suspect and may later attack as instrument western interests can contribute to Netherlands-Indo relations.

As previously reported Australia apparently willing reluctantly support Netherlands Belgian proposals for UNCI continuation because similarity views re Irian. Ambassador Cochran and myself urge strong efforts shld be made persuade Australians vote with us as majority in commission favoring dissolution. If this proves unsuccessful we believe US shld tell parties and UNCI nations we are considering withdrawing from commission. It is our guess that Australians particularly and possibly Netherlands might agree UNCI abolition rather than have recomposition commission debated in SC. Besides fear for future of union and RTC in which we cld be of greater help to Netherlands acting as individual nation, we consider Netherlands newly found enthusiasm for UNCI motivated in part by wish make US continuously responsible for Hague settlement which many Dutch politicians regard as failure.

First draft UNCI report to SC on developments sovereignty transfer down to present completed. Draft is merely objective historical survey which shld provoke little or no controversy. UNCI intent has been report shld be submitted SC with recommendations re UNCI disposition as soon as decision reached in commission on this point. We welcome Department's suggestions re future tactics. Signed Beam.

Dept pass The Hague, Canberra. Sent Dept 1261, rptd info The Hague 123, Canberra 16.

COCHRAN

756D.5-MAP/3-1951

Memorandum by the Director, Office of Philippine and Southeast Asian Affairs (Lacy) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] March 19, 1951.

Subject: Embassy Djakarta and STEM views on Indonesian Aid Programs

Harris' ¹ recommendations for ECA aid to Indonesia are contained in Djakarta's Toeca 124 of March 16.² Ambassador Cochran's comments are made in Djakarta's 1263 of March 17.² There is revealed

¹ Michael Harris, special representative of Mr. Foster's sent to Indonesia as Acting Chief, STEM Mission, to survey the situation there.

² Not printed.

(1) significant elements of agreement, (2) profound disagreement as to the size and terms of FY 1952 aid, and (3) deep-rooted and important reasons for the disagreement.

(1) (a) STEM recommends and Cochran concurs that the FY 1951 program be increased by \$3,270,000 additional grant aid, above the \$6,036,000 already committed, for projects already morally committed to Indonesian Government departments. The additional grants would be for small industry \$475,000; agricultural and fisheries \$495,000; and public health \$2,300,000.

(b) There is no apparent difference of opinion regarding Indonesia's financial ability to pay her way completely in FY 1952.

(c) Cochran and STEM agree that we should offer grant technical assistance programs to Indonesia in FY 1952 and agree that we should continue to be prepared to lend to Indonesia for further "sound" projects.

(2) STEM recommends a grant program for FY 1952 of \$10 million, together with reservation of additional \$10-\$15 million to be made available for loans for projects now mostly "in haphazard stage requiring considerable additional work". The proposed STEM program would be "roughly distributed as follows":

<i>Technical Assistance</i>	\$4, 500, 000
(not broken down but for: i, "second level supervisors to oversee and carry through actual [technical] ³ operations; ii, technical assistance for training Indonesians as supervisors as above; iii, selected economists as advisers to Ministry of Finance, Trade and Industry, and Financial and Economic Council")	
<i>Public Works</i>	2, 000, 000
("road building, port reconstruction, etc.")	
<i>Trans-migration</i>	800, 000
<i>"Pilot Projects"</i>	3, 000, 000
("in fields of fertilizer usage, swamp reclamation, mechanized rice production, public health, etc.")	
<i>Total</i>	\$9, 800, 000-\$10, 800, 000

STEM explains that the high figure for these projects is because of the need to include on a grant basis the "minimum commodities" required for the above technical assistance.

The Ambassador recommends a "grant of not more than \$2.5 million to insure technical STEM staff of modest proportions, continuation of White engineers, certain fellowship and trainee programs and miscellaneous purposes *other than purchase of commodities*. (my italics)". The Ambassador suggests that this would not be necessary if Indonesia were to "take advantage of Fulbright and Point 4 arrangements" but he believes it doubtful that these arrangements will be consummated.

³ Brackets appear in the source text.

The Ambassador is opposed to additional loans representing "easy financing" and he points out that there remain \$40 million available to Indonesia from the \$100 million Ex-Im Bank line of credit. But "in event Department feels absolutely necessary compromise with ECA and fears Indonesian Government reaction more seriously than I do, my maximum and reluctant recommendation would be that additional \$7.5 million be held in reserve for 1952, not as grant but for repayable loan. This would bring total possible aid to \$10 million for FY 1952". However, in the interests of bolstering the Netherlands-Indonesian political union, he recommends that Indonesia turn to the Netherlands rather than the United States for any new credit that may be required. In this connection, it should be noted that the Department has been and continues to oppose a second lending agency in the United States Government, other than the Ex-Im Bank, provided the Bank's loans will be made on a "program basis", i.e., integrated with the economic and political positions of borrowing countries and in terms of our total relations with such countries.

Reasons for Difference of Opinion

STEM believes that (1) Indonesia's assumption that we are substantially committed to give them grant aid cannot be thwarted without great harm; (2) ECA can and will do a tremendous job of building and directing the Indonesian economy; and (3) strongly implied but not directly stated, ECA but not the Ambassador holds the key to Indonesian hearts and minds.

(1) As to (1) above, STEM has acknowledged that it was unfortunate that the Indonesians were led by STEM to take grant aid for granted, but they believe we must carry through. The Ambassador, on Harris' statement that the latter "has done utmost eradicate from Indonesian minds impressions they may have erroneously gained from activities Smart", believes we should approach the problem afresh.

(2) As for (2) above, the Ambassador does not directly challenge ECA's absolute competence to perform, but does challenge their view of Indonesian capacity and ability to receive and make use of elaborate American technical assistance, and ultimately the existence of a real Indonesian determination to get and use American technical advisers through U.S. Government programs. (With my experience of ECA performance in other countries, I am personally continually and again bewildered by the ECA's blithe assumptions regarding their competence and performance.)

The Ambassador directly challenges the mechanized rice and migration projects. He directly questions the feasibility of mechanized rice for Indonesia on the authority of many U.S. experts. (I can confirm this from my own experience during the last five years.) He questions the U.S. Government getting mixed up in trans-migration,—a very long run problem to which Indonesian Governments have been alert and sensitive for several generations and which will continue to plague them at least through this generation.

(3) As for the Ambassador's total comprehension and grasp of the Indonesian situation, he presents at great length evidence other than that commented on by the ECA. (It would, of course, be impossible for two ECA officials to have duplicated in their two-week visit the experience the Ambassador has gained in his nearly three years of intimate relations with high Indonesian officials, and obviously impossible for them to have duplicated the experience of Mr. Cochran in fields other than those of economic aid.)

(a) The Ambassador questions the Indonesian attitude toward large numbers of American technicians, and particularly teachers which have been resolutely rejected by the Indonesian Government in the past. He cites also the difficulties encountered by the White engineers in getting their work underway. The Ambassador is particularly strongly opposed to U.S. economic advisers, certainly in financial matters, believing that "there would be tendency on part Indonesian Government to blame us heavily for any failure financial, monetary, tax or related measures which U.S. Government official might recommend". (This last point has been considered by many Department officials for over a year, always reaching the same conclusion as now advanced by the Ambassador.)

(b) The Ambassador notes that the ECA proposals do not take into account the present and proposed extensive operations by the UN in Indonesia, nor the results of participation by the Indonesian Government in the Colombo Plan.⁴

(c) The Ambassador discusses at length the attractive naïveté of the ECA in taking on faith Indonesian assurances regarding security of personnel outside Djakarta and facilities for work in Djakarta. (I need not comment on this point, although the Ambassador's exposés of the problems are worth reading in themselves.)

(d) The Ambassador challenges the view that Indonesia would feel itself discriminated against if not given largesse on the same scale as other Southeast Asian countries. (We have certainly rejected here the notion that aid to one country requires aid for its more fortunately situated neighbors.)

(e) The Ambassador does not find that deterioration in the Indonesian Government's position results from economic factors which would require U.S. grants. He points out the weak attitude of the present weak government; its unwillingness on religious grounds to put down Darul Islam fanatics;⁵ disgust by army and police with Government, lowering of their morale; misuse and non-use of American police aid. (I personally question most

⁴The Colombo Plan originated from a proposal advanced by the Australian Foreign Minister at a Conference of British Commonwealth Foreign Ministers held in Colombo in January, 1950. From these meetings there developed plans for extending economic assistance to the countries of Southeast Asia. The proposal was conceived as a defense against the spread of Communism in Asia.

⁵Darul Islam was an extremist Moslem group which developed out of the Moslem military organization, the Hizbullah, in March, 1948. From that time until at least the mid-1950s, Darul Islam was an autonomous organization with its own army, and it was able to expand its power in West Java and into large portions of Central Java. The central government's army was unable to destroy its forces.

strongly ECA's characteristic proto-Marxian analysis in terms of so-called economic factors.)

(f) The Ambassador again recalls to the Department Indonesia's reluctance to acquire military supplies from the U.S. or to enter allocation schemes with the U.S., reflecting Indonesia's stubborn clinging to notions of so-called "neutrality". The Ambassador does not believe that these political attitudes of Indonesia are to be countered or modified by financially unnecessary doles of a few million dollars.

456D.119/3-2051

Mr. John D. Small, Chairman, Munitions Board, Department of Defense to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

CONFIDENTIAL

WASHINGTON, March 20, 1951.

DEAR MR. RUSK: I wish to acknowledge receipt of your letter dated 9 March 1951 with reference to the issuance of priority ratings in connection with the procurement of 2975 jeeps from the Willys-Overland Corporation by the Republic of Indonesia.

Certain factors in connection with this case tended to negate the furnishing of priority assistance on a reasonable and sound basis. However, full consideration was given to the interest of the Department of State in the matter and its desire for affirmative action to be used in connection with the forthcoming discussions on strategic materials between the U.S. and the Indonesian Government.

For your information the Munitions Board staff approved the request for D.C. ratings on 9 March 1951 and recommended to the National Production Authority that such ratings be authorized for these items.

Sincerely yours,

J. D. SMALL

856D.00/3-2051

Memorandum of Conversation, by the Deputy Director, Office of Financial and Development Policy (Corbett) to the Director, Office of Financial and Development Policy (Stinebower) and to the Assistant Secretary of State for Economic Affairs (Thorp)

SECRET

[WASHINGTON,] March 20, 1951.

Subject: Economic Aid Program for Indonesia.

The following attended a meeting in Mr. Rusk's office today to discuss an economic aid program for Indonesia for 1952:

ECA—Mr. Allen Griffin
Mr. Harlan Cleveland ¹

¹ Deputy Assistant Administrator for Program.

State—FE—Mr. Rusk
PSA—Mr. William Lacy
PSA—Mr. Charles Shohan ²
PSA—Mr. James O'Sullivan
OFD—Mr. Jack C. Corbett

The ECA representatives raised objections to the attitude taken by Ambassador Cochran regarding the program of technical assistance and economic aid recommended by Mr. Harris, the recent appointee as STEM Chief. They felt that the Ambassador had personal reasons for objecting to this program and had therefore not given the matter fair consideration. They recognized that it was within the competence of the Ambassador and the Department to object to the ECA program but they felt that such a negative approach was not the most effective means of fighting communism in Indonesia and bringing the Indonesians to our side. They pointed out that Ambassadors in other countries had accepted and concurred in the programs recommended by ECA and it struck them as odd that only one had found grounds for objection. Neither Mr. Griffin nor Mr. Cleveland believed that the program recommended by Ambassador Cochran—\$21½ million for technical assistance plus \$7½ million in reserve as a loan—was in fact a program. They did not believe that technical assistance would be effective unless accompanied by the necessary capital goods and equipment and they did not believe it desirable to ask Indonesia to borrow money for this purpose.

Mr. Rusk and Mr. Lacy outlined at some length the history of our relations with Indonesia and the record of Ambassador Cochran in that country. They saw no reason to question his judgment in this matter and, in particular, praised his wisdom in recommending that the Indonesians be left to handle migration problems from Java to other parts of Indonesia. It was pointed out that this was politically a most difficult operation and the U.S. would be well-advised to stay on the sidelines. Mr. Lacy did not question the fact that Mr. Harris could have gotten the impression that the Indonesians were very desirous of the technical assistance program but he pointed out that the Indonesian officials have widely varying views on the acceptability of U.S. aid at this time. Mr. Rusk asked the ECA representatives if they felt there was a vital difference between the programs recommended by Ambassador Cochran and Mr. Harris. The ECA representatives responded that their program was marginal at best; they did not feel the program of the Ambassador would even operate effectively in the margin available to us.

Mr. Harris is returning from Indonesia this week. It was agreed that no attempt would be made to resolve this problem pending his

² Officer in Charge, Economic Affairs, Office of Philippine and Southeast Asian Affairs.

arrival. All agreed that it would be impossible to go to the Budget Bureau with a 1952 program for Indonesia at this time. There was no disagreement on the 1951 program for Indonesia.

357.AA/3-2151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, March 21, 1951—7 p. m.

1285. Gocus 959. This afternoon talked informally Australian UNCI rep Gilchrist as well as Australian Ambassador Hood re UNCI future. (Gocus 958)¹ I said we had always favored dissolution following settlement military problems and while we had taken this position in general interest and irrespective of anticipated Indo attitude we cld not ignore latter which had now been formally ascertained, since it might mean UNCI wld be refused future cooperation by major party. Stressed impossible envisage any problem UNCI cld usefully deal with particularly New Guinea matter where Indos already claiming UNCI wld give "loaded" decision. Referring possibility new Indo Govt might abrogate union and resist revision RTC (see announced PNI program in Embtel 1283).² I mentioned in this event Neth might submit appeal for UNCI intervention and I asked Hood and Gilchrist whether Aust Govt wld be prepared as part of UNCI involve itself in whole complex future Neth-Indo relations under such conditions. Pointed out UNCI wld be vulnerable to Indo charges Western bloc tactics and Australia as original Indo nominee on UNCI might expect protest against its participation in any discussion Neth-Indo affairs involving New Guinea. Said Neth *démarche* to Indo re mis-treatment its citizens might be first step toward placing its problems here on international level and it seemed urgent matter to disengage ourselves from possible UNCI complications through its early dissolution.

¹ In telegram 1279 (Gocus 958) from Djakarta, March 20, Ambassador Cochran reported Mr. Beam's observations that neither the Netherlands nor Indonesia at that time seemed disposed to compromise on the future of the UNCI. He also declared that the UNCI Secretary-General, Mr. Romanos, agreed with the United States that the UNCI should be dissolved. (357.AA/3-2051)

² Ambassador Cochran reported in telegram 1283 from Djakarta, March 21, that the Natsir Government had resigned the previous day, although President Sukarno had asked the Prime Minister to continue with a caretaker administration. The Ambassador also reported that the Masjumi Party might refuse to enter a new Cabinet and let the PNI take responsibility for the latter's formation, and, according to a statement issued that morning, the PNI Chairman, Sidik, said that the PNI would form a Cabinet even without the Masjumi. Sidik also announced a PNI program of action if its members entered the government. Among the PNI goals was the objective of liquidating the Netherlands-Indonesia Union and the revision of the RTC accords. (756D.13/3-2151)

Hood and Gilchrist said they personally fully agreed. Mentioned that they, as well as previous UNCI member Cutts,³ had emphatically pointed out Australia Govt dangers continuation UNCI but apparently had been over-ruled by Spender. Gilchrist's latest instrs were to report stand various parties to his govt but in "last analysis" to support Dutch position. I remarked this was curious situation for Indo nominee on UNCI and again stressed risks attendant thereon. Gilchrist said he wld report to Canberra my approach and arguments I had used. He thought US should work on Australia in Washington or in Canberra particularly in light Spender's appointment as new Ambassador to US. He believed we shld take similar line with Dutch which wld make it easier for his govt alter its viewpoint. He said policy change might occur with Australia elections April 28 but recognized this might be too late deal with UNCI dissolution. Signed Beam.

Dept pass The Hague, Canberra, sent Dept 1285, repeated info The Hague 126, Canberra 18.

COCHRAN

³ T. W. Cutts.

357.AA/3-2651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, March 26, 1951—3 p. m.

1309. Gocus 960. Wld like Dept's earliest telegraphic approval fol proposed line of action which I believe wld best serve carry out Dept's wishes as contained Usgoc 497.¹

1. As week's chairman wld call UNCI mtg and explain that with solution in principle KL and ex-KNIL problems and with agreed withdrawal mil obs, UNCI had completed its business for the foreseeable future. Wld propose commission agree on adjournment *sine die*.

2. If above agreed by UNCI wld propose commission forward its report to SC. As explained in Gocus 957 our draft simply objective historical survey from date sovereignty transfer to present. In matter of incidents which have occurred during past year, report attributes neither blame nor responsibility to either party and we have been assiduous in eliminating any question which might provoke contro-

¹ In telegram 1022 (Usgoc 497) to Djakarta, March 23, the Embassy was informed again that the UNCI should be dissolved at the earliest possible time and that the Department of State agreed that Mr. Beam should approach the Australians informally along the lines suggested in Gocus 957 (p. 617) to achieve this policy objective. The Ambassador and Mr. Beam were also informed that the Department of State approved of the UNCI decision to request the withdrawal of all military observers. (357.00/3-2351)

versy. Conclusion cld now be added to report referring settlement principle military problems, fact nothing on future agenda, and that commission accordingly had decided adjourn *sine die*.

3. As regards secretariat I see absolutely no need anyone remain here, although Romanos believes that as long as UNCI is kept in even theoretical existence in Indo secretariat representative shld be present. I proposed to him, and Dept if it sees fit might press same idea with UN secretariat New York, that person from future UN technical assistance mission secretariat cld be designated handle UNCI affairs as needed. Alternatively somebody from Romano's present office might be assigned to technical assistance secretariat and be given duties there keep him employed. Signed Beam.²

Department pass The Hague, Canberra; sent Department 1309, rptd info The Hague 127, Canberra 19.

COCHRAN

² In telegram 1040 (Usgoc 498) to Djakarta, March 27, the Department of State approved the line of action proposed by Mr. Beam in paragraphs one and two of Gocus 960, but cautioned him that separate instructions regarding paragraph three would follow (357.AA/3-2651).

756D.13/3-2751

Memorandum by the Director, Office of Philippine and Southeast Asian Affairs (Lacy) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

RESTRICTED

[WASHINGTON,] March 27, 1951.

Subject: Indonesian Cabinet Crisis

The following are salient features of the Cabinet crisis in Indonesia:

(1) The Natsir Government fell ten days ago when it tried to obtain revision of the Hadikusumo law passed by Parliament sometime ago. This law abolishes the local councils. Under the pre-existing law, unless a party was organized locally before a certain date, it could not put up a slate of candidates for the local councils. As a result the Masjumi, established almost everywhere on the local basis, swept the several elections which had been held.

(2) Natsir was unable to get a vote of non-confidence as Parliament simply walked out on him. The fact that he was outmaneuvered may have stemmed partly from the fact that Sartono, the Speaker of the Parliament, is a member of the PNI.

(3) Sartono has now been designated by the President to form a Cabinet. He is considering the Presidential request, but even if he accepts it, he has indicated he will not be a member of the Cabinet. As

announced last week, the PNI platform provides for the implementation of the Hadikusumo Resolution, the repeal of the sales tax (which Sjafruddin, Masjumi Minister of Finance, insists is necessary), repeal of the antistrike ban passed on February 15 and passage of the Kusnan¹ Resolution to abolish the statute of the Union and to revise the RTC Agreements.

(4) The PNI platform is at this juncture not acceptable to the Masjumi. There are indications that the PNI and the Masjumi are trying to negotiate to a common position on the four items outlined in paragraph 3 above. Should they succeed, a Masjumi PNI coalition is likely. Such a coalition would, of course, have to have additional parties to obtain the requisite majority support of Parliament.

(5) Should the negotiation between PNI and the Masjumi fail, the former may try to form a Cabinet alone. Such an attempt would entail obtaining the adherence of practically all the left wing parties, and would probably result in the presence of at least one Communist in the Cabinet. Such a coalition Government, however, would be more unstable than the Natsir Government which was based on the Masjumi.

(6) There doesn't seem to be anything we can do at this juncture to effect a Masjumi PNI alliance which is preferable to a Cabinet built solely around the PNI.

¹ Rahendra Kusnan, member of the Indonesian Parliament.

411.56D31/3-2751 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, March 27, 1951—6 p. m.

1042. Shld it prove necessary, in order conclude rubber contract, give Indos formal assurances US intentions re scarce supply commodities, you may, in ur discretion, give them formal note outlined Deptel 3815, Feb 15, to London, rptd Djakarta 863.¹

Gen price freeze US as well as export price reg which will be issued near future shld assure Indos price levels goods imported from US same as applicable US natls, plus of course customary export costs.

¹ In telegram 3815 to London, February 15, the Embassy was instructed to assure the Indonesian delegation to the London Rubber Conference that the United States intentions with regard to scarce supply commodities were to use maximum governmental authority to direct goods for civil consumption in order to implement pending Eximbank projects and to assist Indonesia in obtaining its basic civil consumer needs, subject to American defense requirements. (398.2395-LO/2-851) The Embassy never presented the contents of this note to the Indonesians, however, because Indonesia refused to participate at London in acceptable allocation schemes for scarce supply commodities.

Above, together with Deptel 1028, Mar 26,² is maximum statement and procedure possible at this time meet conditions laid down by Indos (urtel 1320, Mar 27).³ Under circumstances no point discussing index nr mechanism.

Dept believes you shld ignore implied threat re Indo abstention from Rome Conf, unless in ur view this becomes serious possibility. In latter case, you may wish point out Indos their absence wld tend be blamed by all interested countries as killing Conf.

Although one experimental shipment recd, generality US industry and trade view problem importability Indo slab rubber as reported in Deptel 317, Sep 26, '50 and Shohan memo conversation Sep 22 mtg with Indos and rubber industry.⁴

ACHESON

² In telegram 1028 to Djakarta, March 26, the Department recited all the instances in which the Department had helped Indonesia acquire consumer goods and instructed Ambassador Cochran to reiterate this data to the Indonesians in the course of the rubber discussions as evidence of American good faith in trying to meet their needs (456D.119/3-2651).

³ In telegram 1320 from Djakarta, March 27, Ambassador Cochran reported that Dr. Zain maintained that his departure for the impending Rome Rubber Conference was contingent upon the visit of General Wilson; that Dr. Zain was trying to create the impression that unless General Wilson arrived in Djakarta with definite assurances regarding the availability of manufactured goods desired by Indonesia, Indonesia might boycott the Rome conference (398.2395-R0/3-2751).

⁴ Neither printed.

856D.00R/3-2751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, March 27, 1951—4 p. m.

1315. In its Ecato 143¹ dated Mar 21 Djakarta ECA indicated submission STEM budget for Indo wld take place around Apr 5. With present Cabinet crisis and prospect for altered govt and revision budget, am convinced implementation any ECA aid program will be further complicated and delayed.

Dept and ECA fully informed as to my recommendations for reduced program for 1951 and for sharply curtailed or even eliminated program for 1952. Fall of Natsir connected in no manner with question of US aid. Selection Cabinet former and constitution of govt will not be contingent upon or related to prospective US aid. Believe therefore that present interlude offer ideal time for announcement revised ECA program which cld not be interpreted as aimed against any particular govt this country. Natsir Govt is only caretaker. Altho quite possible some time may be required select and install new govt, recom-

¹ Not printed.

mend US announcement be made earliest practicable date. Thus, it wld not appear reflect on choice cabinet.

COCHRAN

357.AA/3-2851 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, March 28, 1951—7 p. m.

1052. Usgoc 499. Re secretariat. As stated previously (Gocus 497) [*Usgoc 497*¹] we do not believe it necessary secretariat remain, but under UN procedures final decision such matters rests with UN SYG.

We will advise him that so far as we can now foresee Comm will not be active in future and suggest that he might wish to take this situation into account in planning administrative arrangements when Comm does adjourn *sine die*.

• Re suggestion that UNTA Mission secretariat take over UNCI secretariat functions. While we do not believe this practice of double responsibilities desirable believe this question one for secretariat NY decide and if they have no objections this solution, we wld acquiesce.

Sent to AmEmbassy Djakarta 1052; rptd info AmEmbassy Brussels 1286, Canberra 259, The Hague 1108, USUN New York for action as indicated 821.

ACHESON

¹ Not printed, but see paragraph 3 of telegram 1309 from Djakarta, March 26, and footnote 2 thereto, p 627.

357.AA/3-3051 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, March 30, 1951—4 p. m.

1337. Gocus 961. Ref Usgoc 498¹ and 499. In informal mtg this morning, UNCI agreed US proposal namely as follows:

(1) UNCI will address factual, non-controversial report SecGen UN developments Indo sovereignty transfer to date incl latest arrangements dispatch remainder ex-KNIL to Neth.

(2) Conclusions of report will set forth fol: Mil problems solved with latest agreements on KL and ex-KNIL and mil observers to be withdrawn on or before April 6. Since UNCI has therefore completed its main task in observing implementation RTC and since no other foreseeable items to deal with, UNCI is adjourning *sine die*.

(3) UNCI will agree final draft report and conclusions April 2. US and Australian members requested opportunity telegraph conclusions their respective govts for approval.

¹ Not printed.

(4) When finally agreed report will be transmitted SecGen UN simultaneously Neth High Comm and Indo FonMin. Press release to be issued here announcing UNCI decision adjourn sine die and mentioning report being forwarded to above addressees. In meantime UNCI agreed keep its decision confidential pending finalization report and communication to parties of above.

UNCI SecGen Romanos expressed view Secretariat rep must probably remain Djakarta but in view prospective UNCI inactivity he hoped UN SecGen wld assign such rep other UN activities here as well. (Signed Beam).²

Department pass Hague, Brussels, Canberra. Sent Department 1337, repeated info Hague 130, Brussels 2, Canberra 20.

COCHRAN

² In telegram 1062 (Usgoc 500) to Djakarta, March 31, Ambassador Cochran was informed that if the plans advanced in Gocus 961 were implemented, the Department of State would concur (357.AA/3-3051).

411.56D31/4-251 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, April 2, 1951—8 p. m.

1353. Rubber contract negotiations commenced this morning in conversations between Sumitro,¹ Zain, Darmawan,² Osmaoen,³ Wilson, Coerr and MacFadyen.⁴ After Indos had given usual parade of difficulties inherent for them in meeting US desires, cordial atmosphere was established and agreement reached that conversations wld be pursued on basis (1) US wld offer commitment that US Govt wld extend good offices to satisfy basic Indo civilian needs mfg goods (in accordance note authorized Deptel 1042, Mar 27). (2) Quantity price and other details of specific purchase contract wld be worked out mutually. (3) Indos wld also study possible methods whereby Indo Govt cld implement govt to govt contract.

Meeting this afternoon with Darmawan, Zain, Osmaoen and two Dutch technicians reached no conclusions. Indos were given informal draft US note as mentioned above and were asked to consider as starting point a contract to provide 200,000 tons in 18 months at 48 cents per pound. They spent whole session, however, reiterating general arguments which they had advanced at London.⁵ Discussions to be resumed tomorrow.

COCHRAN

¹ Dr. Sumitro Djojohadikusumo, Minister of Trade and Industry and a member of the PSI.

² Dr. Darmawan, Director-General of the Ministry of Trade and Industry.

³ Member of the Ministry of Trade and Industry.

⁴ An employee of GSA and a member of the rubber purchasing mission.

⁵ The reference is to the London Rubber Conference.

856D.2395/4-351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, April 3, 1951—6 p. m.

1358. Mtg full rubber discussion group Tues morning was led by Sumitro who showed apparently genuine desire cooperate with US.

1. Indonesian officials were impressed by summary of US Govt activity in making possible exports of defense goods to meet Indonesian needs (ref Deptel 1028, Mar 26).¹ They also understand possible benefits which Indonesian Govt cld derive from US commitment to extend continuing good offices to satisfy Indonesian needs for manufactured goods (ref Embtel 1353, April 2). However they do not consider this commitment is in any way equivalent, for purposes of internal political consumption, to the specific promises of manufactured goods which the Indonesians have continually been requesting in exchange for rubber.

2. Sumitro mentioned that he has recently refused a request from Chinese Amb who asked for flat purchase contract of 50,000 tons rubber offering in exchange not goods but currency (presumably dols or gold). In view of recent and current arrivals of manufactured goods from US and in view assistance which US Govt has extended to Indonesia in this connection, Sumitro granted that the proposed Chinese contract cld not justifiably be compared with the proposed US contract on overall basis. He feared however that the two contracts wld be so similar per se that Indonesian acceptance of US contract wld set precedent politically difficult to disregard if the Chinese Amb were to renew his request.

3. Sumitro states that the basic obstacle to Indonesian participation in 18 month govt-to-govt rubber purchase contract involving substantial tonnage as desired by US is that Indonesian Govt has no method or mechanism with which to implement it. Proposed GSA contract discounts future with result that, unless world market drops, the contract price is likely in any given period to be below world price. Indonesian sellers seem to be counting heavily on expectation that world price will at least keep present levels and probably rise during term of 18 month contract. Indonesian traders who sold futures within last few months are now losing on current deliveries. If Indonesian Govt were to attempt to implement contract with US by buying Indonesian rubber at market price and reselling it to US at low contract price cost of this underwriting wld be prohibited. If Indonesian Govt were to attempt to force Indonesian sellers to export to the US by use of export licenses or other means, chief result wld be greatly in-

¹ Not printed ; see footnote 2, p. 629.

creased smuggling of Indonesian rubber products. Indonesian Govt sees no solution this technical problem.

3[4]. Sumitro and Zain indicated they might consider it worthwhile to make strenuous attempts set up necessary mechanism to implement contract of five year duration. Wilson made it plain he was authorized to discuss only an 18 month contract. In answer to his further query as to what wld be the minimum length of contract which in Indonesian opinion wld justify their efforts in setting up method of implementation again suggested three years. American negotiators however consider this proposal probably impractical since pressures described paragraph 3 above wld apply with even greater force to five year contract, since latter would probably discount market price more heavily than 18 month contract.

5. Questioned by Wilson, Sumitro stated that the Indonesian Govt actually owns and controls rubber output of about 1,200 tons per month. He added that most of this tonnage has been sold thru Sept. Wilson however indicated his readiness to negotiate contract even for this small tonnage starting in Sept if necessary as evidence of US Indonesian cooperation.

6. Sumitro added that in view of the difficulties of mtg the US desires the whole matter wld be considered by Indonesian Cabinet in its mtg Tues afternoon. He implied that special attention wld be given to Wilson's offer to purchase Indonesian Govt production.

COCHRAN

856D.2395/4-351 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

PRIORITY

WASHINGTON, April 3, 1951—8 p. m.

NIACT

1073. From Larson ¹ Walsh ² GSA and Dept. Re Embtels 1353 Apr 2, 1354,³ 1358 Apr 3 and 1395 [1359³] Apr 4. Re 1200 tons monthly from Sept, suggested offer 40 cent floor, to be paid time of shipment, with US pay difference between 40 cents and average published market price during month shipment, as long as market above 40 cents, payments to be made at end month. Might also ask if Indos possibly interested in this type arrangement for larger contract; it wld protect them against difficulties inherent in situation described para 3 Embtel 1358.

¹ Jess Larson, Administrator, General Services Administration.

² Aloysius T. Walsh, Commissioner, Emergency Procurement Service, General Services Administration.

³ Not printed.

FYI GSA has undertaken commitment clear any long term fixed price contract with Congress comites.

Wilson shld proceed Rome to arrive about 10th or 11th if possible, to return to SEA afterward. This to be confirmed by subsequent instrs.

Wilson shld notify Bangkok and Colombo if any definite arrangements need be cancelled.

Sent to AmEmbassy Djakarta priority niact 1073; rptd info AmEmbassy Colombo (last two paras only) 330, AmEmbassy Bangkok (last two paras only) 1425.

ACHESON

357.AA/4-451 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, April 4, 1951—4 p. m.

1362. Gocus 962. Ref Usgoc 1062.¹ On Apr 3 Beam as final act signed UNCI report containing fol conclusion :

"In the introduction to this report, the commission pointed out, that during the period under review, it had been concerned particularly with problems arising from the military and political provisions of the agreements reached at the round table conf. The Com has the honour to inform the Security Council that, since the mil problems are now virtually solved, since no other matters have been submitted to it by the parties and since no items remain on its agenda, it has decided that, while continuing to hold itself at the disposal of the parties, it will adjourn sine die."

After processing, Secretariat will send report to SC New York and copy to parties Djakarta. At same time press release will be made Djakarta as fols :

"At its mtg held on 3 Apr 1951, the United Nations Comm for Indo adopted the text of a report to the Security Council on its activities from the transfer of sovereignty to the present date. The report was despatched to the United Nations headquarters today and will be released to the press simultaneously in New York and Djakarta.²

"Re the conclusion to the report, the Comm informs the Security Council that since the problems arising from the military agreement reached at the round table conference are now virtually solved, since no other matters have been submitted to it by the parties, and since no items remain on its agenda, it has decided that, while continuing to hold itself at the disposal of the parties, it will adjourn sine die."

At suggestion Romanos, Gilchrist Australian member will hold chairmanship during adjournment UNCI and will handle informally

¹ Not printed, but see the first footnote 2, p. 631.

² The text of the report is in UN document S/2087.

any matters which may come up. Secretariat awaiting orders SYG Lie. Signed Benninghoff.³

Dept pass The Hague, Brussels, Canberra; sent Dept 1362, rptd info The Hague 131, Brussels 3, Canberra 21.

COCHRAN

³ H. Merrell Benninghoff succeeded Mr. Beam as Acting U.S. Representation on the UNCI and as Consul General and Counselor of the Embassy.

S56D.00R/4-951

The Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Director, Far East Program Division, Economic Cooperation Administration (Griffin)

RESTRICTED

WASHINGTON, April 9, 1951.

DEAR ALLEN: Confirming our telephone conversation of April 7 regarding economic assistance for the Republic of Indonesia during the fiscal year 1952, the Department of State recommends that:

(1) There should be a fiscal year 1952 economic grant aid program of the general character of the program now in operation, with the emphasis on technical assistance type projects.

(2) In our effort to assist the Indonesian government to solve its problems, there should be provided under the aid program American experts who would not necessarily be tied to particular projects but that, in light of the element of doubt as to the welcome which they will receive and as to their ability to function effectively, this phase of the program should be inaugurated on a modest scale with the understanding, however, that their numbers and their scope would be expanded as additional experts were formally requested and on the basis of demonstrated success by the original group. The Department would have no objection to the maintenance of the figure of 100 such experts in the budget presentation on the understanding that there would be close collaboration by the Administration and the Department regarding the recruitment and dispatch of such experts, and with the further understanding that the provision of more than 50 would be a matter for agreement between us.

(3) The fiscal year 1952 grant aid program should not markedly exceed the 1951 program. The figure of \$10 million is recommended for fiscal year 1952, this sum to be concentrated on those projects which the Economic Cooperation Administration considers the most important and the furthest advanced in planning, but that in any event the mechanized rice, swamp drainage and trans-migration projects should not be included.

(4) The Department and the Economic Cooperation Administration should urgently concert their efforts with a view to establishing the principle of joint planning with the Export-Import Bank to the end that the grant activities of the Economic Cooperation Administration and the loan activities of the Export-Import Bank are complementary, and to the further end that additional loans from the

Export-Import Bank, up to or exceeding \$15 million in fiscal year 1952, be extended if and as the study of individual projects so warrants.

Despite understandable expressions of enthusiasm by Indonesian officials for large-scale grant aid and numerous technical assistants and advisers, the Department believes that extreme care and tact is required in any expansion of the STEM Mission. Personnel for the field must be picked with the greatest care and the arrival of new personnel in Indonesia should be gradual, with the acceleration or the de-acceleration of the process dependent upon Indonesian reactions and the ability of the members of the mission to function effectively. It goes without saying that the relationship between the Embassy and the STEM Mission should be an intimate one.

We are prepared to work closely in any helpful fashion with you in the preparation of a revised program on the foregoing lines for presentation as soon as possible to the Bureau of the Budget.¹

Sincerely yours,

LIVINGSTON T. MERCHANT

¹ Mr. Griffin replied to this letter on April 20, and said that the substantive policies set forth in Mr. Merchant's letter had been incorporated in the revised program which the Department of State and ECA had presented jointly to the Bureau of the Budget on April 13. In brief, this program embodied grant aid of \$10.4 million and suggested loan aid up to or exceeding \$15 million. (PSA Files: Lot 54 D 190: Box 15397)

756D.00/4-1651: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, April 16, 1951—10 a. m.

1438. Cabinet friend (Djuanda)¹ visited me afternoon 14th. Said PNI had failed arrive at working arrangement with Masjumi for formation govt and had now also come to conclusion could not form govt leaving out Masjumi and depending on leftist parties. Djuanda said most PNI leaders balked at idea taking in Communist minister as some leftists suggested. Said strife had become so acute however between Masjumi and PNI that neither party can yield directly to other.

I mentioned press report 13th PNI willing accept as nonparty *formateur* either Hatta, Sultan Jogja or Djuanda and let Premiership go to Masjumi. Djuanda said PNI had not discussed this matter with him. He said Masjumi leaders had however visited his home night 13th asking whether he would be willing act as *formateur*. He said he had told PNI some days ago he would not be willing accept minister-

¹ Ir. Djuanda, Minister of Communications.

ship in govt leaving out Masjumi and depending upon leftist support. To Masjumi leaders he indicated he thought best policy would be have Hatta act as *formateur* without taking cabinet post.

Djuanda thinks President within next few days will accept return of mandate from Sartono and ask non-politician form Cabinet. Djuanda feels Hatta should be given full responsibility by two major parties select best men therefrom to fill ministerial positions. He thinks it unwise bring in representatives from smaller parties since their support would not be required if Masjumi and PNI cooperate and since experience with small parties has to date not been satisfactory. He agreed there might be one or two small party representatives such as Leimena² who has made public plea for Sukarno and Hatta to intervene to prevent further deterioration Indonesia. I expressed hope Djuanda would remain. He was non-committal, stating he had tried keep away from political leaders during this crisis. In answer my question he thought Sumitro and other Socialists would be left out if two coalition idea is adopted. As to any influence by Sjahrir,³ Djuanda said this leader absent from Indonesia during crisis with no instructions left to his party members and latter not able be counted upon for any firm position or policy. He admitted several bright young men in Socialist Party, but said they did not inspire too much confidence just now.

In answer my query whether I should undertake any negotiations now on military aid agreement etc., Djuanda advised strongly against it. Said both Masjumi and PNI anxious not to take any decisions which might be used against them politically. Said that once strong govt of two principal parties is formed there might possibly follow firmer position in favor of free nations and move away from attempt retain independent foreign policy.

FonMin Roem told me morning 15th decision now rests with President Sukarno as to next step to take toward forming Cabinet. Roem thinks President should ask Hatta form govt consisting principally of Masjumi and PNI. Said Hatta visited Natsir night 13th to review situation. Roem says Sultan Jogja and Djuanda acceptable to both parties as ministers even though not party members. He would like see Sjafruddin continue as Minister of Finance but said Sjafruddin disgusted over political bickering. Masjumi would try get him take Ministership Defense if he does not remain in Finance. Roem expects presidential announcement shortly on govt formation.

COCHRAN

² Dr. Johannes Leimena, Minister of Health and member of the Parkindo.

³ Soetan Sjahrir, founder of the PSI in 1945.

756D.00/4-1951: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, April 19, 1951—11 a. m.

1458. Embtel 1451, April 18.¹ FonMin Roem discussed with me evening eighteenth President's naming joint formators from Masjumi and PNI to form govt within five days. Roem said so much common ground for agreement found between Masjumi and PNI through extensive conversations that it should be possible for them to get together on coalition govt shortly. He said Sartono's inclination to include representatives from extreme left had frightened other PNI leaders and he had consequently been dropped in favor of Sidik Djojokusarto as dual formator with Sukiman.

Roem told me off record Pres Sukarno is responsible for some of difficulty in getting PNI and Masjumi work together since President is prodding PNI holdout for making denouncement union statute part of govt platform. Masjumi on other hand desires await report of commission headed by Supomo before deciding what action should be taken in normal international intercourse toward changing relations with Netherlands.

Roem feels there is so much agreement between two parties on most points that policy of coalition govt would differ little from that of Natsir. Consequently Masjumi will endeavor retain key Cabinet posts. In answer my query re Minister Defense, Roem thought Sultan Jogja might again be named thereto.

COCHRAN

¹ In telegram 1451 from Djakarta, April 18, Ambassador Cochran reported that Mr. Sartono had returned his mandate to form a cabinet to President Sukarno, who, in turn, had immediately charged the chairmen of the Masjumi and PNI, Dr. Sukiman and Sidik Djojokusarto respectively, with the task of forming a new coalition government (756D.00/4-1851).

398.2395-R0/4-2051: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, April 20, 1951—5 p. m.

1468. Embtel 1390 Apr 10 [7].¹ Today Fon Min Roem and I formalized agreements supplementing Wilson-Sumitro rubber contract

¹ Not printed. The Department of State did not publish this accord in TIAS because the Indonesian Government asked that no publicity be given to the agreement, as reported by Ambassador Cochran in telegram 1390 from Djakarta, April 7, (856D.2395/4-751). In this same connection, neither Ambassador Cochran's Note No. 332 of April 7, nor Foreign Minister Rum's Note No. 15915 of April 7, which are both quoted in Embassy telegram 1468, were made public.

signed April 7 by exchanging fol signed (secret) notes. Full text being pouched to Dept.²

(1) Emb note 332 Apr 7 (as authorized by Deptel 1042, Mar 27 and Deptel 3815, Feb 15 to London repeated Djakarta 863³): Ambassador of US assures FonMin of RI that Govt of US "will (1) employ to the maximum such Governmental authority to direct goods for civilian consumption as is being or will be used for any other country in order to implement present Export-Import Bank projects and (2) use its best offices, subject to its own defense needs and those of its allies, to assist Indonesia to obtain basic civilian needs, as these may become defined through later presentation and mutual examinations".

(2) FonMin note 15915 April 7.

FonMin of RI assures Amb of US that Govt of Indonesia "will use its best offices to assist the United States of America to obtain the latter's requirements of rubber from Indo as these may become defined through later presentation and mutual examination".

(3) Today Coerr presented to Darmawan Indo Govt's copy GSA contract No. GS-00P(D)6397 signed by Sumitro and Wilson at Djakarta April 7 which Wilson and Coerr completed at Bangkok April 8. Emb retains one signed copy.

In recapitulation contract provides that in 18 months' period, Sept 1951 to March 1953, Indonesian Govt will ship approx 1200 long tons estate rubber to US monthly. Deliveries to be F.O.B. Djakarta ocean carrier destined for US as evidenced by signed bill. Price paid per pound for each grade rubber delivered 44-month period and ultimate 22-month period shall be 3 percent less than average total published official Singapore prompt shipment (closing) price for each grade in calendar month immed preceding such period. Payment 100 percent on delivery subj future settlement any dispute re quality and condition affecting price (ref Embtels 1367 April 4 and Deptel 1075, Apr 4⁴).

Comment: Having obtained Indo note on rubber balancing US note re Indo civilian requirements, US Govt is in position to prevent Indos from abusing the US commitment. In addition to this negative value, exchange of notes and signing of contract may be useful politically as symbol Indo-US cooperation, and economically as basis further negots looking toward larger bilateral rubber agreement.

Contract itself, covering about 21,600 tons at estimated value \$36,288,000 (based on estimated average price 75 cents per pound) appears good business deal by reason 30 cents pound Singapore prices. In my opinion, exchange of notes, plus contract covering the only rub-

² Not printed: the original copies of the agreements supplementing the rubber contract of April 7, may be found in file 856D.2395/4-2451.

³ Not printed, but see footnote 1, p. 628.

⁴ Neither printed.

ber over which Indo Govt exercises direct control, represent maximum that cld be expected from initial rubber negots held here prior Rome conf.

COCHRAN

856D.13/4-1951 : Telegram

The Secretary of State to the Embassy in Indonesia

TOP SECRET

WASHINGTON, April 24, 1951—4 p. m.

1149. Concur your views expressed Embtels 1454¹ and 1456,² Apr 19. Dept, Treas and US ExecDir IMF agree that :

1. Domestic gold sales deal with symptoms rather than basic causes of inflation and as indicated urtel may induce rather than discourage flight from currency.

2. Wld regard as preferable utilization of resoures to expand volume of necessary imports.

3. While proposal contemplates sales of gold in domestic market it is possible if not probable that gold wld eventually find its way into Singapore-Hong Kong smuggling trade.

Any such flow of gold into international premium markets wld be contrary to the efforts of the IMF to prevent international transfers monetary gold at premium prices. IMF studying means by which its members may carry out policies pertinent this problem. Believe this shld be considered in view Indonesia's intentions becoming member IMF. While IMF has not interfered strictly internal gold sales programs of countries, it has carefully scrutinized measures taken to prevent export such gold. FYI US wld not desire sell gold at official prices to countries obtaining foreign exchange from premium gold sales.

You may impress above views authorities concerned in any unofficial manner you deem appropriate.

ACHESON

¹ In telegram 1454 from Djakarta, April 19, Ambassador Cochran reported that the Java Bank was planning to initiate gold coin and bullion sales to the general public about May 1. His initial appraisal of this contemplated action was that it would have no appreciable effect on lowering existing price levels in Indonesia, and that the profits accruing to the government would make a comparatively small contribution to financing Indonesia's budgetary deficit, which was the primary source of the country's latent inflation. (856D.13/4-1951)

² In telegram 1456, from Djakarta, April 19, Ambassador Cochran said that he had spoken to Foreign Minister Rum regarding the proposed sale of gold and had made strong representations against such an act. The Ambassador believed that the commencement of such a practice would be interpreted as an alarm measure to check inflation and fear of the rupiah. He also pointed out to the Foreign Minister that such a move would undoubtedly concern deeply the IMF and other foreign bodies friendly to Indonesia. (856D.13/4-1951)

856D.13/4-2751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

TOP SECRET

DJAKARTA, April 27, 1951—noon.

1497. Embtels 1454 and 1456.¹ Called on FonMin Roem 5:30 p. m. 26th. Referred to our previous conversation on reported plan of Java Bank to sell gold coin and bullion. I told Roem I had formulated some questions as to wisdom proposed action and presented them to him in form secret and unofficial unsigned memo. These covered points included in Embtels above mentioned and Deptel 1149.

Roem said he had inquired of Finance Min Sjafruddin and learned plans were made to begin gold sales May 1. He thought main purpose was to provide gold for govt stocking as rice harvested and also to place gold in rubber producing areas which are accumulating cash but whose needs for textiles and other consumer goods cannot be met from existing stocks.

Roem was particularly unhappy over thought that proposed action might not be in accordance with precepts of International Monetary Fund whose rules Repub had undertaken to abide by, RTC agreement, although not yet member. Roem asked I speak with Djuanda since he would be the one carry-over member of Natsir govt interested in economic and financial matters. Roem let me know composition new govt was to be announced few hours after our meeting. Roem also suggested I talk with Oudt,² advisor to Minister Finance, or to Kuypers, head Foreign Exchange Institute.

I visited Djuanda after leaving Roem and gave former copy my memo, explaining Roem had recommended this. Djuanda gave practically same info as Roem re contemplated gold project and reasons therefor. He said govt wld need approximately 200 million rupiahs to meet situation and favored utilizing gold to take care of rice and rubber areas. I argued against this, pointing out that increased note circulation occurs in most countries at harvest time. I thought Indo Govt shld not now deviate from econ and fin policies which have heretofore proved sound. I reminded him that gold which Indo had acquired from US had been sold for building up central bank reserves and not for profit-making distribution at premium prices.

Djuanda advised against my speaking with Kuypers or Neth advisors but promised take matter up with incoming Min Fin.³

This issue has arisen at bad time since it is manifestly impossible for me immed approach members new govt who are expected to be sworn in today and since Java Bank may consider that firm decision to

¹ Neither printed, but see footnotes 1 and 2, p. 640.

² Dr. Oudt, chief adviser to the Minister of Finance.

³ Jusuf Wibisono of the Masjumi.

institute plan has already been approved by expiring govt for commencement May 1. I am sure however, Djuanda can be counted upon to do anything that may be feasible in premises.

COCHRAN

756D.13/4-2751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, April 27, 1951—noon.

1500. Composition and program as reported by press, of Sukiman Govt which was announced by Sukarno 9:30 p.m., Apr 26 covered by Embtels 1495¹ and 1496.² Biographic data on Cabinet members and analysis new govt make-up and prospects will follow by mail.² Embtel 1499² describes Cabinet formation.

Visited FonMin Roem 5:30 p.m., Apr 26. He had been occupied with final consultations Masjumi Party leaders on support Sukiman Govt. Since Sjafrnddin and Roem had been backing Natsir as PriMin over Sukiman, three of them not included in new govt. Roem thought his group had put welfare of country above party politics by sacrificing some of their own leaders to permit formation Cabinet which wld prevent Sartono from tying PNI up with Leftist elements. He was slightly bitter in remarking there were really four Cabinet *formateurs*, meaning Sukarno and Hatta had asserted themselves strongly insisting on coalition between Masjumi and PNI under Sukiman with inclusion in Cabinet of individuals considered likely carry out Pres's ideas. Roem was indefinite about his own future but hinted he might practice law Djakarta. Some of his friends feel he wld welcome re-appointment High Comm Hague or Amb Wash.

Visited Djnanda 6:30 p.m. 26th. He confirmed he wld participate in new Cabinet. He thought as finally constituted it represents team

¹ Not printed; in telegram 1495 from Djakarta, April 27, Ambassador Cochran reported the composition of the new government. The following list includes only the principal posts.

<i>Ministry</i>		<i>Party</i>
Prime Minister	Dr. Sukiman Wirjosandjojo	Masjumi
Deputy Prime Minister	Suwirjo	PNI
Foreign Affairs	Mr. Achmad Subardjo	Masjumi
Interior	Mr. Iskaq Tjokroadisurjo	PNI
Defense	Sumitro Kolopaking	PIR
Justice	Mr. Mohammad Yamin	Nonparty
Information	Arnold Mononutu	PNI
Finance	Mr. Jusuf Wibisono	Masjumi
Agriculture	Ir. Suwanto	Catholic
Trade and Industry	Mr. Sujono Hadinoto	PNI
Communications	Ir. Djuanda	Nonparty

² Not printed.

(756D.13/4-2751)

that can work together much more effectively than Natsir Govt. While Roem was skeptical ability new govt survive, Djuanda thinks it has good chance success. Djuanda not alarmed by inclusion Subardjo,³ Yamin⁴ and some others about whom he realized foreigners might have reservations. He anticipates responsibilities of office may moderate ideas which Yatin⁵ has expressed as critical Parliament member. Djuanda does not expect any big reversal of Natsir Govt policy. He is pleased with one of his former assistants Sujono Hadinoto being named Min Trade and Industry his only concern being re this man's health.

My opinion is that Natsir, Sjafruddin and Roem, altho individually outstanding in ability and character, provided govt with ineffectual leadership, partly result excessive loyalty to Masjumi and hesitancy to take drastic measures against Taruq Islam,⁶ and partly due to stubborn opposition to bringing few PNI into Natsir Cabinet. Altho they individually professed strong anti-Commie feelings, they never took advantage of opportunity afforded them as leading party in govt to formulate forceful policy against Communism. Roem had profited from international experience but was still rather naive in some of his concepts of an independent policy and of possible accomplishments by Arab-Asiatic group.

While we shall miss some friends retiring from Cabinet it is entirely possible our relations can be as good with Sukiman Govt or even better than with Natsir. Big advantage shld be that Sukiman Govt will have working majority in Parliament and support of Sukarno and Hatta. Strong pressure for amending RTC agreements and acquiring Irian will ensure, but likelihood of move in this direction has been evident for many months. While announcement of formation cabinet did not mention Sultan Jogja, it is understood he will be Chief of Staff of Armed Forces position he has desired for long time. This shld give him comparatively free hand to work towards pacification of country and establishment of order. My conviction is that future of Indonesia over next few years depends importantly upon Sukarno, Hatta and Sultan Jogja. If these three men can now work closely together and with sympathetic govt representing truly nationalist Indonesian aspirations I believe progress can be made towards a stronger state. Some aspects thereof may not be Western, but no reason to expect anti-Western attitude.

COCHRAN

³ Achmad Subardjo, Minister of Foreign Affairs.

⁴ Muhammad Yamin, Minister of Justice.

⁵ Presumably this is a reference to Muhammad Yamin.

⁶ Presumably the reference is to Darul Islam.

856D.13/5-151: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

TOP SECRET

DJAKARTA, May 1, 1951—5 p. m.

1519. ANETA thirtieth carried report director Indo Foreign Exchange Institute announced restrictions on possession and sale gold had partly been lifted to permit possession and sale of gold in maximum quantity of 100 grams per person. Transport of gold within country would be permitted but existing controls on export and import would be maintained.

At Neth High Commissioner's reception night thirtieth I mentioned this report to Pres Houwink of Java Bank. Latter said this step being taken to combat inflation. He added sale of gold internally not contrary rules Internatl Monetary Fund. I remarked difficulty in Indo of keeping gold out of internatl smuggling trade but did not get into argument since I was unaware to what extent Roem or Djuanda may have indicated my interest this subject (see Embtels 1454 and 1456,¹ Deptel 1149 and Embtel 1497).

Houwink asked in turn if I had read statement to press by New Fin Min Wibisono that one objective his administration would be nationalization Java Bank. Houwink much perturbed and said was giving his own statement to press. ANETA this morning quoted Houwink that announcement by Wibisono was completely new to management his bank. Houwink pointed out article 19 of financial and economic agreement RTC provides that long as Indo is indebted to Neth any intended changes of Java Bank Act and any new monetary laws connected with circulation bank will be discussed with Neth beforehand.

Talked informally with Djuanda this afternoon. He said former Fin Min Sjafruddin had presented plan for gold sales as *fait accompli* to other Cabinet members. Djuanda referred to conversation we had on question gold sales (Embtel 1497). He said he had brought this matter to attention new Trade Min Sujono Hadinoto. Learned that one of principal advisors in Trade Ministry had almost simultaneously presented memo to Sujono protesting against proposed plan. Djuanda and Sujono had then jointly approached Fin Min Wibisono with result all steps toward putting gold sales proposal into effect are postponed pending review and consideration by financial economic comite of new govt at its next meeting. Djuanda anxious to avoid any move likely to lead to difficulty with US.

With respect to nationalization Java Bank Djuanda thinks this will come within first ten years of sovereignty but insisted this matter has not been subj of discussion by new govt and that Wibisono statement to press was entirely gratuitous and personal. Djuanda volunteered

¹ Neither printed, but see footnotes 1 and 2, p. 640.

that tendency several new members govt to give statements as to their policies had already embarrassed govt and led to sharp criticism by press of Ministers concerned.

COCHRAN

S56D.00R/5-551 : Telegram

*The Administrator, Economic Cooperation Administration (Foster)
to the Embassy in Indonesia*

SECRET

WASHINGTON, May 5, 1951—4 p. m.

Ecato 252. This is joint State-ECA cable. Fol will answer your recent letter queries¹ re status Indo program.

As result extensive discussions Dept and ECA, full agreement reached concerning Indonesia program for remainder FY 51 and FY 52 as follows:

1. For FY 51 total program \$9.95 million. This represents approx \$3.7 million above amount already obligated, distributed in fields public health (\$2.3 million) agriculture, forestry, fisheries (\$.9 million), industry (\$.5 million). FY 51 program this size will require approx \$1.9 million in addition to unobligated funds presently available.

2. For FY 52, an econ aid program of the gen character of the present program with special emphasis on technical assistance. TA personnel would not necessarily be tied to particular projects, and would be furnished on a contract basis or directly by STEM depending on Indonesian wishes and STEM judgment.

3. The FY 52 program proposed to Bureau \$10.4 million in grant aid, distributed in fol fields by way of illustration: Public Health (\$3.9 million); agri forestry, fisheries (\$3.7 million); Transportation, communications, power and public works (\$410 thousand); engineering services (\$.6 million); Information (\$.2 million); Education (\$.3 million) and Public Administration and Technical Assistance (\$1.6 million). Figures in parens exceed \$10.4 total due to inclusion some of TA under public health, transportation, and agriculture categories as well as under public administration and TA.

4. Dept and ECA in full accord re desirability programming additional loans probably Eximbank for Indo if and as study of individual projects so warrants. To this end, appropriate Ex agencies currently discussing suitable mechanism for extending program loans in FY 52 to SEA countries generally, such loans to be integrated with and coordinated as part of same program US economic and technical aid for which grant aid being extended. Will advise you further as these discussions progress.

Foregoing recommendations fully cleared throughout Ex agencies and presented to Budget Bureau on April 13.² No indication yet as

¹ Not printed.

² See the first footnote 1, p. 636.

to action to be taken by Bureau.³ Forwarding by pouch documentation and elaboration of FY 52 program as presented to Budget Bureau.⁴

FOSTER

³ In telegram Ecato 324 to Djakarta, May 29, Mr. Shannon McCune, Acting Chief, STEM Mission in Indonesia, was informed that the Bureau of the Budget had approved a figure of \$8,000,000 for economic grant aid to Indonesia (ECA Cable Files : FRC Acc. 53 A 278, Box 77).

⁴ Not printed.

856D.13/5-851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

TOP SECRET

DJAKARTA, May 8, 1951—3 p. m.

1541. Embtel 1519, May 1. Director Kuipers of Foreign Exchange Institute told me night seventh he understood I had talked with Djuanda and Houwink over Indo plans for gold sales. I told him my exchange of views with Houwink had been very brief. Kuipers explained high earning power of rubber tappers and desirability getting some reserve of wealth in their hands to prevent their wasting their money on nonnecessities in absence adequate supply useful consumer goods. Kuipers added that gold to be used for this purpose was not bars purchased from US but sovereigns which have been property Indo for some time. I remarked that replenishment gold stocks wld presumably come from purchase bars from US while gold distributed to planters wld very likely get into hands of Chinese and into smuggling trade within few weeks.

Djuanda came by this morning. He said no decision yet taken on gold question. He said suggestion for instituting sales came from Neth advisors rather than from Indo ministers.

COCHRAN

856D.13/5-851 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, May 8, 1951—6 p. m.

1206. Pleased learn postponement implementation proposal for gold sales. Possible further approach Indonesian officials in view postponement entirely at your discretion. Of course, US would not wish give impression attempting determine decision Indo Govt this matter or imply Fund gold policy extends purely domestic sales.

Following info may be useful: Value of domestic gold sales as a monetary policy is still controversial. US has generally opposed it, particularly for countries receiving US aid, as being wasteful use of fon exchange. However, in Greece, where public strongly addicted to

sovereigns, their pegging by public sale at ceiling price has probably helped keep prices more stable than they would otherwise have been. In China, gold program reportedly involved favoritism for wealthy and insiders and even when sales were public and impartial, program was of questionable effectiveness under rapidly deteriorating conditions. Policy is often in danger of becoming excuse for not taking other more essential, less palatable reforms; once introduced it tends to perpetuate itself and to resist discontinuation.

Mexico has long sold gold coins with results of unknown value. Most Latin American, all Middle Eastern, and certain Continental European countries allow private gold purchases through one channel or another, with results difficult to evaluate. In some cases however motive might be to create additional profitable business for local banking industry.

So far we have not heard reports of the special conditions under which a plausible case might be made for value of such a program in Indonesia.¹

ACHESON

¹ In telegram 1603 from Djakarta, May 16, Ambassador Cochran reported that Mr. Djuanda had informed him that the plan for permitting the private purchase of gold had not been put into effect, and that Mr. Djuanda "thinks final decision against proposal may be taken by govt economic financial comite 17th." (856G.13/5-1651)

400.46D31/5-1151 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, May 11, 1951—7 p. m.

1226. Indo Amb called at his request on Asst Secy Rusk May 10. He said he leaving on consultation by plane from NYC 16 May, and will proceed Djakarta with one day layover Rome. He expects to return within three or four weeks.

Amb began gen discussion Far East problems by mentioning Fon Min Subardjo's statement to effect Indo wld "trade with devil" and repeated explanation offered to Dept by Maramis¹ May 8 (Deptel 1211, May 9).² Amb was informed that we were not particularly concerned with words which might have been uttered under pressure domestic considerations, but that we did hope historic pattern Indo's

¹ Max Maramis, Secretary, Indonesian Embassy in the United States.

² In telegram 1211 to Djakarta, May 9, Ambassador Cochran was informed of Mr. Maramis' explanation of Foreign Minister Subardjo's press statement of May 7, 1951. Mr. Maramis said he believed the statement was made as a result of pressure from the Indonesian press, and that the remarks were not indicative of any change in Indonesia's attitude. (856D.2395/5-951)

trade wld not change at this time when UN faces serious problem aggression in delicate world situation; that we hoped Indo wld not jeopardize its independent policy by changing pattern of distribution its products; that if at this juncture, Indo took action this sort which wld, in effect, do violence to its neutral position, Indo cld expect strong reaction from US. In this connection, allusion was made to fact that US public opinion, increasingly aroused by casualties resulting from operations in Korea, was growing more and more critical Brit position on problems trade with Chi, Russia and its satellites; in view good relations enjoyed with US by Indo, we hope Indo will not subj itself to risking approbation US public by untoward move in opening new trade channels. Amb stated he understood our position and indicated some sympathy therefor. He raised question goods which Indo needs and was informed we wld continue do our best accommodate Indo and our other friends in world from our production resources which, as Amb knew, were very considerable, but our ability do so wld be, in part, dependent upon continuing good relations with Indo which have been so friendly during period since Indo independence.

It was then pointed out to Amb we were concerned that Indo understood our position re security arrangements in Pac; that we, out of deference Indo views, had decided not proceed with Pac Pact as such, but had broken our security arrangements into component parts for (1) Austral, NZ, (2) Phils (3) possibly Jap; that we hoped Amb wld explain to his Govt, US did not wish be put either in position of excluding Indo from such arrangements or pressing Indo into agreement which Indo, in its natl interest, did not feel prepared to enter; that Amb cld give his Govt flat assurances that US was convinced it cld find much common ground with Indo if latter adheres to its policy of independence within framework UN Charter; that US has no designs on Indo.³ Amb informed strictest confidence, whether world situation deteriorated or improved, US wld be willing at any time to discuss question security arrangement with Indo in any manner which Indo Govt believed wld not be embarrassing. Amb asked if this concerned question raised by ex-FonMin Roem with Secy last Nov re procurement of arms in this country, and was informed it had no connection that problem. Amb was requested to use this info cautiously and in confidence to which he seemed to assent.

Amb then inquired re our views on Korea. He informed that, as mentioned above, US public opinion had grown restive as casualty lists lengthen; that we believe Chi Commies might be willing negot

³ For documentation, see pp. 132 ff.

settlement after present offensive blunted, but on other hand, they might begin build up for future late summer or fall offensive; that it was known Peking and Moscow UN is willing negot settlement around 38th Parallel, but Peking's announced objective was to push us out of Korea, and that this publicly announced objective of forcing us entirely out of Korea had not been renounced or modified by Chi Commies. Amb informed US desired bring about settlement Korean war without spreading hostilities; that as Amb knew from current investigation Far Eastern policy now going forward in Cong, US had, despite some mil considerations to contrary, prevented spread hostilities; that, of course, if our opponents wished make such extension hostilities, they had resources within their control to accomplish this end. Amb then asked whether settlement wld have to be made, in our view, through UN. He informed that while matter one for discussion at some point in UN, we certainly were not going to allow procedural considerations to prevent settlement in Korea. Amb also informed that we considered UN opposition to aggression in Korea had been factor in preventing Chi aggression in SEA which wld, of course, be ultimate threat against Indo.⁴

Amb inquired re story carried *N.Y. Times*, May 9 which stated in contrast Russian recommendation for Jap Peace Treaty conference of US-UK Soviet Union and Commie Chi, in "consultation" with other states involved last war in Orient, US proposes that treaty be worked out by sixteen members FEC. Amb informed story baseless, that we discussing Peace Treaty with nations who are members FEC, but we are also discussing proposed treaty with nonmember nations, and that we do not intend use FEC as such in connection with treaty problems.⁵

Amb inquired re reports Secy was to be replaced. He informed there was no truth such rumors; that Pres has repeatedly reiterated his support of Secy; that Secy had no intention of resigning; that rumors this type cld be expected in view fact US now in pre-Pres election period.

Amb Ali subsequently saw Director PSA briefly who reiterated remarks made by Asst Secy Rusk re US hope and desire that historic pattern Indo trade continue. Amb asked for informal memo re his conversation with Mr. Rusk which will be prepared containing above info.

ACHESON

⁴ Documentation is scheduled for publication in volume VII.

⁵ For documentation, see pp. 777 ff.

493.56D9/5-1451

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State

SECRET

[WASHINGTON,] May 14, 1951.

Problem:

Possible Sale of Rubber from Indonesia to Communist China

Background:

The Indonesian Ambassador to the U.S., Dr. Ali Sastroamidjojo, has been urgently recalled to Djakarta for consultation and is flying from New York May 16. He has expressed a desire to see you before his departure.

The new Indonesian Cabinet, a coalition which includes as its major elements the Masjumi (Muslim) Party and the PNI, is confronted with a series of major decisions. This new Cabinet replaces the Government headed by Natsir which was built around the Masjumi (Muslim) Party. However, the new Cabinet omits many of the old Cabinet including many Masjumi members, such as Foreign Minister Roem who called on you in Washington last November, and Finance Minister Sjafruddin, who has also come to the United States.

We believe that the new Cabinet is at present at a crossroad as regards its relations with the United States. It faces a decision with regard to an offer by China to exchange tungsten and rice for Indonesian rubber. We believe this decision will color the future for some time to come, and we are desirous that the Indonesians make the right decision; namely, to refuse to alter the historical pattern of Indonesian trade.

For the past several months, Indonesia has been concerned to obtain goods, rather than money, even hard currency, for its products. The Indonesian Delegation at the London and Rome meetings of the recent abortive International Rubber Conference, set forth this demand incessantly. For a multiplicity of reasons, neither the U.S. nor any other consuming nation was in a position to fulfill the exaggerated Indonesian demands in this connection.

About two months ago, Communist China offered to buy 50,000 tons (out of 700,000 tons yearly production) of Indonesian rubber for currency (what type is not known although it is believed to have been either U.S. dollars or gold). The Natsir Government rejected this offer, stating it desired goods, not currency for its products. The Communist Chinese have now come forward with an offer of tungsten and rice for Indonesian rubber. The quantities involved are unknown. We

have received, however, an indication that this offer may be only one of several made by Communist China to Indonesia possibly looking toward the establishment of a trade agreement between the two countries.

On May 7, Dr. Subardjo, the present Foreign Minister who seems to be an opportunist having been associated in the past with the Japanese during their occupation of Indonesia, the Communists, and the Trotskyites, informed the press that Indonesia would sell "to the devil" if it would benefit the Indonesian people. When Dr. Ali raised this statement with me during his call on May 10, I told him that we did not wish the historic pattern of Indonesia's trade to change (see Attachment 1 for a report of this interview).¹

On May 11, Dr. Zain, top economist in the Foreign Ministry, reiterated that Indonesia would sell goods to any country including Communist China from which she can get the goods she needs. The Department instructed Ambassador Cochran to make representations (see Attachment 2)² which he did (see Attachment 3).³

Should Indonesia sell rubber to China, the effectiveness of the British embargo on rubber from British colonies to China will be destroyed.

Recommendations:

1. That you inform him that, while we are not particularly concerned with the exact wording of statements made under pressure of domestic considerations, we hope that the historic pattern of Indonesia's trade (under which nothing goes to Russia or China, and only

¹None of the attachments are affixed to the file copy. Presumably, Assistant Secretary Rusk was referring to an "Informal Memorandum" which was given to Mr. Maramis on May 15, and which covered the salient points of Mr. Rusk's conversation with Dr. Sastroamidjojo on May 10 (493.56D9/5-1551). The contents of this memorandum presented, in abbreviated form, the major topics of conversation as relayed to Ambassador Cochran in telegram 1226 to Djakarta, May 11, *supra*.

²Presumably, the reference is to telegram 1228 to Djakarta, May 11, in which Ambassador Cochran was informed that the Department of State knew of Dr. Zain's statement, and the Ambassador was instructed to advise the Indonesian Government that statements of this sort were calculated to defeat the Indonesian goal of an independent and neutral foreign policy. Ambassador Cochran was also instructed to inform the Indonesians of the possible "actions US may take in premises shld attitude expressed in statement become official policy approved by Cabinet decision. You may wish to remind Indo Govt of oral undertaking exchanged at time of MDAP agreement. You may wish refer to exchange of notes at time Wilson's visit pointing out that US is willing assist Indo Govt in obtaining goods but that its willingness to do so will of course be modified by statements such as noted above." (856D.2395/5-1151)

³Presumably, the reference is to telegram 1580 from Djakarta, May 12, in which Ambassador Cochran reported that he had conveyed the contents of telegram 1228 from the Department of State to Dr. Darmasetiawan, the Secretary General of the Indonesian Foreign Office (856D.2395/5-1251).

a few items to the satellites) will not change at this time when the UN faces a serious problem of aggression in a delicate world situation; that we hope Indonesia will not jeopardize its independent policy by changing the pattern of distribution of its products as such action would in effect do violence to Indonesia's independent policy; that if Indonesia takes action of this sort, it can expect a strong U.S. reaction. You may wish to make allusion in this connection to the fact that U.S. public opinion is increasingly aroused by casualties resulting from operations in Korea. You may wish to state that we hope Indonesia will not risk a strong reaction of U.S. public by opening new trade channels.

(Should Dr. Ali suggest that Indonesia would sell to the U.S. any tungsten which it might obtain from China, it is suggested you restate that we do not wish any change in the historic pattern of Indonesian trade. *For your information only*, we have reason to believe that we are going to get the Chinese tungsten by other and more devious means.)

(Should Dr. Ali raise the question of Japanese trade with China, you may wish to state that under export controls now in effect Japanese exports and re-exports to Communist China, North Korea, Hong Kong and Macao not requiring licenses are limited to textiles, sundry goods, agricultural products (except staple foodstuffs), fishery products and bicycles. Of the items requiring licenses, no license applications are being approved for Communist China or North Korea and applications for export to Hong Kong and Macao are being carefully screened by SCAP⁴ and validated only when SCAP has received Hong Kong Government assurance that goods will be consumed in Hong Kong or Macao or re-exported to non-Communist areas where transshipment can also be controlled.)

2. That you remind Dr. Ali that in submitting to the U.S. his import requirements, his Government did not list any requirements for rice. You may wish to point out that we have given his Government a note of expressing our willingness to use our good offices to assist Indonesia in procuring goods it needs.

3. That you remind Dr. Ali of the several respects in which the United States has extended assistance to Indonesia, namely \$100 million Export-Import general line of credit; \$40 million ECA assistance during the course of the first six months of Indonesian independence; a quantity of military equipment for the constabulary; and finally, present ECA assistance through the Special Technical and Economic Mission in Djakarta.

⁴ General Matthew B. Ridgway, U.S.A.

611.56D/5--1451 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, May 14, 1951—7 p. m.

PRIORITY NIACT

1239. Indo Amb called on Sec May fourteenth to pay his respects before departing Djakarta. Sec told Ali that Dept had been seriously considering econ aspects Indo-US relations; that he hoped Ali wld emphasize to his Govt that US considers, in this connection, maintenance by Indo of historic pattern of trade matter of highest importance; that any departure from historic pattern of trade by Indo wld almost certainly be regarded by US public as evidence of desire on part of Indo to move in direction USSR and satellites at expense of its happy relations with US and its allies. Sec also asked Ali to emphasize to his Govt that, sporadic shortages in domestic products notwithstanding, US and its friends the proprietors of largest and most productive econ system in world and therefore able to supply those commodities which Indo requires. He pointed out that USSR and its satellites are in fact unable to meet Indo requirements and that if they were no asst wld be extended without strings attached. Sec took this occasion to point out that asst extended to Indo had been on a friendly basis and that we had not "attached strings" to that asst.

Referring to friendly character of relationship between Indo and US, which he hoped wld long continue, Sec pointed out that Zain's statement on sale of rubber to any country unfortunate in substance and timing.

Indo Amb said he was already keenly aware of unhappy results of Zain's statement in press and congressional circles and that it shld not be regarded as an Indo Govt decision.

Ali seemed quite willing to deliver Sec's msgs to Indo Govt, expressed gratitude to Sec for his sympathetic understanding of Indo problems and assured Sec of his determination to make largest contribution to good relations between the two countries.

Sec. told Ali that he cld assure his Govt of latter's good standing with Dept and of Sec's desire that he, Ali, continue in Wash.

Sent to AmEmbassy Djakarta niact 1239; rptd info AmEmbassy London 5222.

ACHESON

756D.5-MAP/5-1551 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET NIACT

WASHINGTON, May 15, 1951—8 p. m.

1249. Deptels 987, 1050, 1115 and urtel 1556, May 9.¹ Present US position re procurement mil equipment by RI to meet internal security problems is as fols:

1. US legally in position furnish constabulary equipment on grant or reimbursable basis to RI under auth MDAA. No additional undertakings required from RI as matter of law, beyond those already obtained Aug 15, 1950 exchange notes.² Above Dept reftels designed solely explore possibility obtaining additional commitments which wld be desirable but are not required by applicable legislation. US considers it particularly desirable obtain reaffirmation in best form (preferably written), of Hatta's oral undertaking.³

2. Dept aware difficulties obtaining such commitments.

3. Dept aware US interest in assisting Indo Govt, as long as it basically friendly to US, to obtain equipment essential maintain and strengthen internal security Indo.

4. Many types equipment, such as Garand rifles, mortars, armored cars, tanks not available for purchase commercial channels, and accordingly as matter of practice are available to fon countries only under MDAA. Outside auth MDAA (which is limited to govt to govt transactions) RI may purchase constabulary equipment suited primarily to police work, such as jeeps, pistols, explosives, tear gas, on normal commercial basis. In such transactions US Govt wld intervene at point of request for export license which US wld probably grant on simple statement of need and uses to which equipment wld be put.

5. US wld assist in procurement equipment by helping RI reps find equipment or contact US mfgs having available productive facilities. If Indo need for equipment involved considered by US important enough, we might grant to Indo defense priority ratings to facilitate production and delivery.

6. Dept airmailing description procedures applicable respectively to normal commercial and to MDAA transactions, together with list of types equipment available only under MDAA.⁴

¹ None printed.

² The texts of the notes exchanged between Ambassador Cochran and Dr. Hatta which implemented the Military Arms Aid Agreement of August 15, 1950, are printed in TIAS No. 2306; 2 UST (pt. 2) 1619.

³ When the MDAP accord was signed in August 1950, Dr. Hatta pledged that Indonesia would prevent the exportation of strategic materials to nations unfriendly to the United States. For documentation, see *Foreign Relations*, 1950, vol. vi, pp. 1046 ff.

⁴ Not printed.

7. US consideration of assistance Indo in connection RI arms and equipment program must inevitably take into account factors including (1) recent declarations by FouMin Subardjo and Zain re Indo consideration of sale rubber to Commie Chi, (2) Indo adherence in practice to historical pattern distribution Indo raw materials.

8. Pending clarification Indo intent this connection, US does not desire undertake commitment to assist Indo further this matter.

9. If you deem advisable, and if you believe such reps on your part will materially assist you in inducing Indo Govt maintain historic pattern trade, you may point out above factors.

10. This tel covers points on mil aid raised urtel niact 1597,⁵ to which you shld receive full reply shortly.

ACHESON

⁵ In telegram 1597 from Djakarta, May 15, Ambassador Cochran noted that Minister of Communications Djuanda had, in the course of a conversation that day, asked if the United States would still help Indonesia procure arms needed to maintain internal law and order. The Ambassador replied that he could give no guarantees on this subject, but also said that he could be prepared to discuss, on short notice, the possibility of consummating an MDAP accord as an amendment to or an extension of the accord on constabulary equipment negotiated with Dr. Hatta on August 15, 1950. The Ambassador also said that he did not believe that standard weapons and ammunition could be procured satisfactorily except under MDAP auspices, and that, in this connection, he would have to obtain instructions from Washington. Furthermore, he told Mr. Djuanda that he was convinced that no MDAP agreement could be consummated unless Indonesia was willing to give assurances that strategic materials would not reach the Communist bloc nations. If Indonesia voted against the United Nations embargo resolution to prevent war materials from reaching the People's Republic of China, it might be difficult for Indonesia later to obtain military aid from the United States. (856D.2395/5-1551)

756D.5-MAP/5-1751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, May 17, 1951—11 a. m.

1609. Djuanda came my home 2 p. m. May 16. Deptel 1249 had reached me. I was consequently able confirm and expand certain ideas given Djuanda previous eve on procurement mil equip by Indo (Embtel 1597).¹

Do not contemplate further mention arms procurement to Indo in present atmosphere. Djuanda agrees with me that best eventual approach might be thru Hatta to Sukiman.

Am most appreciative of alacrity and completeness with which Dept

¹ Not printed ; see footnote 5, *supra*.

has kept me informed as to policy and supported with background info in present emergency.²

COCHRAN

² In telegram 1625 from Djakarta, May 21, which is not here printed, Ambassador Cochran had a conversation that day with Mr. Djuanda, and they agreed that the Ambassador should not invite discussion of another MDAP accord until President Sukarno had returned to Djakarta on May 27 and until after the government had issued a major policy statement to Parliament on May 28. The Ambassador also added privately that after May 28, he was also considering making a secret approach to Dr. Hatta regarding the consummation of another MDAP accord. (756D.5-MAP/5-2151)

493.009/5-1851

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] May 18, 1951.

Subject: Improvement in Indonesian Position re Trading with Communist China

Indonesia abstained from voting on the United Nations Political and Security Committee's resolution of May 17 calling for an embargo against Communist China.¹ According to press reports of May 17, Indonesian Foreign Minister Subardjo announced, a few hours before the UN action was taken, that Indonesia would obey the embargo if voted.

This Indonesian action is noteworthy in view of reports from our Ambassador on May 15 indicating that Subardjo and other ranking members of the Indonesian Government were then in favor of instructing the Indonesian delegate to the UN to vote *against* the embargo; and in view of well-publicized statements made by Subardjo on May 7 and his subordinate, Zain, on May 11 indicating that Indonesia was seriously considering selling 50,000 tons of rubber to Communist China.

I believe that the abrupt reversal in the Indonesian position, although it will no doubt receive a hostile press in Indonesia, is a clear diplomatic gain for the U.S. and is attributable primarily to your conversation with the Indonesian Ambassador on May 14, and to the cogent and well-timed representations made by Ambassador Cochran on this matter in Djakarta. The Ambassador, incidentally, reports that he held a buffet dinner for the Indonesian Cabinet and Chiefs of diplomatic missions in Djakarta on the evening of May 17, which he believes helped to relieve the tension resulting from the embargo discussions.

¹ Documentation is scheduled for publication in volume VII.

493.009/5-1851 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, May 18, 1951—8 p. m.

1268. Dept agrees with decision Embtel 1615 May 18 not to issue press statement.¹

Fol may be useful background FYI:

At Apr Rome mtg² Rubber Study Group estimated 1951 Chi imports at 90,000 long tons. Chi received 27,000 tons during Jan Feb. Malaya shipped Chi and Hong Kong about 16,000 Mar and 10,000 Apr. Assuming all these figs correct and assuming May shipment 7,000 tons, Chi will have received 60,000 tons before Brit controls in Malaya effective. Remaining 30,000 included in RSG estimate for Chi presumably will be smuggled there or will go other destinations via legitimate trade channels.

RSG also estimated world production natural and synthetic rubber wld exceed consumption by 360,000 tons in 1951. If this potential surplus is absorbed into private or government stocks, price presumably will not break disastrously this yr. If surplus not absorbed price presumably will decline until sufficient marginal production eliminated to balance supply demand. Rubber market for balance this yr therefore likely to be influenced principally by stockpiling policy US and other govts. Whether potential surplus 360,000 or 390,000 relatively unimportant.

Indo Govt as member RSG fully aware these statistics. Also aware that US rubber policy most important factor influencing market. Because of adverse press (Embtel 1602, May 16, and related tels)³ Dept wishes that it cld give Emb material with which to reassure Indos re this policy. Unfortunately realities of situation prevent such assurances.

Fol are major factors in situation:

1. US world's largest consumer natural and synthetic rubber which to large extent are interchangeable depending on price.
2. US world's largest producer synthetic, most of which government-produced and sold on basis no profit no loss.
3. US Govt sole legal importer natural rubber for US consumption and stockpile and world's largest stockpiler natural rubber.
4. US Govt allocating rubber both natural and synthetic to industry and limiting consumption.
5. US Govt fighting inflation, and its desire for generally lower prices is in opposition to Indos desire for higher rubber prices.

¹ In telegram 1615 from Djakarta, May 18, Ambassador Cochran reported that he planned to have the Embassy issue no statement about the embargo question, despite the inaccuracy and unfairness of the Indonesian press' attacks on the U.S. position at the United Nations (493.009/5-1851).

² Documentation is scheduled for publication in volume II.

³ Not printed.

These factors give US and especially US Govt unprecedented power over world rubber markets and sometimes lead to conflicting policies. Industry viewpoint accurately summarized by quotation from Akron Beacon Journal May 13 attributed to Litchfield, Board Chairman Goodyear.⁴ "If synthetic is properly handled by the US we cld control the world's rubber."

Rubber products manufacturing industry (which is powerful political factor domestically) has been urging:

1. Expansion synthetic capacity. Litchfield urges 50 percent increase. USDel told RSG that Govt had decided increase capacity for annual production GRS from present level 760,000 tons to 860,000 by altering existing equipment. RSG not told new 40,000 tons butyl facility under consideration but not yet authorized. Neither was RSG told DuPont increasing neoprene capacity by 10,000 tons. (For definition GRS butyl neoprene and info re synthetic industry Emb may refer report sent Djakarta with unclassified instr 3, Jan 13, 1950.)⁵

2. Reduction in stockpiling objective and in rate of stockpile procurement. Stockpiling program currently being reviewed by Vital Materials Coordinating Comite, consisting *inter alia* of the fol agencies: Defense Production Administration, National Production Authority, General Services Administration, Munitions Board, Defense Minerals Administration and Dept.

3. No exports of synthetic until domestic demand satisfied. Govt produced synthetic is not being exported despite request from UK, Fr, It, Chile and others.

4. No long term natural rubber purchase contracts. Litchfield quoted as being "firmly opposed to the US entering into any price fixing agreement with the govts of the producing countries". Industry has not been told of Wilson's contract with Indos or proposed contract with Thai.⁶

At Rome US and other consumers offered to help stabilize natural rubber market during post-allocation period in return for acceptable allocation agreement. Producers (including Indo) rejected proposal. US not likely to make equally favorable offer again in foreseeable future. In fact US industry not informed of Rome proposal and wld have opposed it bitterly if informed. Executive agencies can not commit US on synthetic rubber policy which basically established by Congress. Present law expires June 30, 1952. In view anti-inflation policy and responsibility to US taxpayer agencies unlikely to agree on stockpiling or price support policy that wld pls Indos.

Ultimately producers of natural rubber must sell their product at price approximately that of general purpose synthetic (currently 24½ cents) or lose their markets unless general consumption greatly increases. Dept has been attempting for over year make this funda-

⁴ Paul W. Litchfield.

⁵ Not printed.

⁶ For documentation, see pp. 1594 ff.

mental economic point clear to Indos and other producers. There is no probability that US will agree to stabilize rubber prices for extended period at artificially high level out of sympathy for producers problems. The sooner this point accepted the easier it will be for Dept to secure agreement to policies that may ease transition.

US will continue to produce synthetic for security reasons and as commercial demand develops. Someday it will stop buying rubber for stockpile because its security needs will have been met. These and other actions can be misinterpreted as being directed against Indo and will be so misinterpreted by those unfriendly to US. Implications US bad faith (such as those quoted in reftel) will not make US policies more favorable to Indo and on contrary may hinder efforts of those appreciative Indo problems to obtain adoption reasonable policies and administration.

US policy re Chi embargo is part of broader US policies toward support UN action in Korea and toward trade with Sovbloc and has no relation to rubber problems as such of US or Indo. On assumption US will not alter its policies re procurement natural rubber and production synthetic, adherence to Chi embargo wld injure Indo rubber interests only in negative sense that it might deprive them of opportunity to profiteer at expense Malaya. If such unfair profiteering led Malaya to withdraw its support UN effort discourage aggression, Indo wld lose because aggression anywhere in world contrary to interests all peace loving nations.

This tel not distributed outside Dept. Any reply shld be no distribution. Further tel will follow re phases US-Indo relations on which you may be able and wish take more positive line.

Sent to AmEmbassy Djakarta 1268; rptd info: AmEmbassy Colombo 401, AmEmbassy London by air pouch, AmEmbassy Bangkok 1774, AmConsul Singapore 775, AmLegation Saigon 1505.

ACHESON

856D.13/5-2151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, May 21, 1951—6 p. m.

1624. Djuanda told me 21st that mtg Econ Fin Comite 17th question gold sales not discussed. He said responsible authorities Indo Govt now so generally opposed to this idea that he convinced it will be abandoned without necessity Cabinet decision. (see Embtel 1603).¹

COCHRAN

¹ Not printed ; see the first footnote 1, p. 647.

320.2-AC/5-2351 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET PRIORITY

WASHINGTON, May 23, 1951—1 p. m.

942. 1. We appreciate fact that application of strategic embargo urtel 1551 May 18¹ may cause Indo certain difficulties. However, we are not convinced that in present state world commodity markets embargo on shipments strategic exports to Commie China will seriously affect Indo economy.

2. We fail to understand basis of Palar's² comment that fall in rubber price has already cost Indo some \$200,000,000. FYI detailed statement on rubber contained in Deptel 1268 May 18 to Djakarta being rptd USUN.

3. We sug USUN avoid detailed discussion technical trade and price data re rubber, referring Indos to Dept or US Emb Djakarta on such matters.

4. Under GA res of May 18, indo Govt will of course be expected to determine which of its export commodities fall within embargo and report thereon to AMC within 30 days. We think it is clear that rubber is covered by res as an item useful in production of arms, ammunition and implements of war and we are urging UK to take similar view. See Deptel 1272 to Djakarta May 21.³ Assume Indo will adopt similar position, particularly in light final para Djakarta's 1601, May 16.⁴ After receiving reports from complying states, AMC may decide to work out list of items generally regarded as included in formula of May 18, res, in order that complying states may have more definite standards to guide them in their actions.

5. If Indo Govt believes itself seriously injured by application of embargoes adopted by GA, it cld appropriately report this fact to AMC. US wld oppose efforts by any country use AMC as forum appeal US aid to compensate for trade loss but wld not object multilateral dis-

¹ Not printed.

² Ambassador L. N. Palar, Official Representative of Indonesia at the United Nations.

³ In telegram 1272 to Djakarta, May 21, Ambassador Cochran was informed that Department of State officers had been making representations to officials of the United Kingdom in Washington to try to persuade their government to accept the U.S. position that rubber was a strategic material which fell within the terms of the United Nations resolution (493.009/5-2151).

⁴ In telegram 1601 from Djakarta, May 16, Ambassador Cochran informed the Department of State that Foreign Minister Subardjo said that Indonesia would abide by any decision the United Nations took on the embargo question, but that Ambassador Palar was being instructed to abstain from voting (S56D.2395/5-1651).

cussion possibility exploring difficulties arising from damages caused by changes in patterns of trade owing to application of embargo.

6. Above for use with Palar in ur discretion.

Sent to USUN New York priority 942; rptd to AmEmbassy Djakarta niact 1278.

ACHESON

756D.5-MAP/5-2351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, May 23, 1951—3 p. m.

1634. Toisa. MDAP \$5 million program Indo provides equipment mobile constabulary of civil police. Major items three mil part program recd just prior October 7. Between then and 31 March recd 8,000 pistols some spare parts. During period under review equipment issued and training occurred. Await under balance \$2 million radios, armored cars, machine guns, 100- $\frac{3}{4}$ th ton trucks and spare parts for items recd. "Training aid" requests filed to extent \$10,000 but no deliveries yet recd.

Basic purpose is to equip and train. First requirement was to standardize and nationalize police security forces. First unit training school mobile brigade using MDAP equipment opened 1 November. Two additional sub-schools and two radio schools opened since first of year. 4,000 police now training. Effect of program on operating forces not fully felt as of 31 March, although all vehicles, some radios and 8 weapons provided under program already seen heavy use.

After more than 10 years war or civil strife conditions law and order not yet restored in newly sovereign Indo. Many dissident and bandit groups remain. Commie inspired strikes and disorders continue occur particularly in important ports. Civil police called upon cooperate with mil in pacifying country. Taking over increasingly from mil task maintaining order. Aside from increasing efficiency and improving morale of police with modern equipment, govt strengthened thereby in demonstrating to nation determination suppress dangerous and unlawful elements. Armored cars and heavier weapons under order still necessary to equal or surpass equipment of outlaws (ref Depcirtel May 18 recd 22nd).¹

COCHRAN

¹ Not printed.

856D.10/5-2551 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, May 25, 1951—5 p. m.

1650. Saw FonMin Subardjo twenty-fifth with Indo Amb to US present. I mentioned desirability Indo Govt ratifying Eximbank projects soonest. Dr. Ali said had brought request from Gaston urging haste in regularizing these matters.

On this occasion mentioned ECA agreement. Amb Ali under impression ratification by Parliament not necessary. I said former FonMin Roem had insisted such ratification required but that I had recently written FonMin Subardjo note requesting be informed whether his govt thought such action by Parliament necessary or whether agreement signed by Roem and myself already binding. Subardjo said Minister of Justice Yamin had recently commented that Parliament ratification not required. I asked Subardjo reach definite decision on this point and provide me with note soonest wherein he might quote Justice Minister.¹

COCHRAN

¹ In telegram 1661 from Djakarta, May 26, Ambassador Cochran reported that the Indonesian Cabinet on May 24 had approved the draft of a law ratifying the Export-Import Bank projects and had decided to submit it soon to Parliament. Moreover, the Finance and Economic Committee of the Cabinet had studied the ECA agreement and had asked the Ministry of Economics to ascertain from the Economic Committee of Parliament whether the latter thought this accord should also be submitted to Parliament for ratification. (856D.10/5-2651)

490.56D9/5-2551 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, May 25, 1951—6 p. m.

1651. Indonesian Cabinet met for four hours May 24 to consider embargo question. Indonesian Amb to US was heard. Vice President Hatta also attended.

Was recd by FonMin Subardjo 9 a. m., May 25 his request. Amb Ali was present. FonMin handed me following statement in English text:

"At its session held Djakarta 24 May, Council Ministers took under review questions associated with proposal accepted by GA of UN on 18 May.

"In connection with this govt states following as its opinion:

"Proposal accepted by GA of UN takes form of recommendation to member nations of UN which gives opportunity to each state to determine what materials, in its opinion, are of strategic nature.

"At time when discussions were going on in UN with reference to embargo, delegation of Republic of Indonesia abstained from the vote, the procedure followed by Indonesian del being in line with this country's active and independent foreign policy which is designed bring about world peace. This same standpoint was manifested by Indonesia when she, in concert with the seven Asian and Arab States, on 3 February acted on question of branding People's Republic of China as aggressor in Korea.¹

"The facts show that up to this moment there have been no exports from Indonesia to People's Republic of China of vital materials.

"Govt of Indonesia, in sense indicated above, will be able to honor recommendation of UN."

Subardjo asked what I thought of statement. I said I presumed some of his explanatory remarks were in effort to maintain Indonesian independent position and to respect UN decision with least possible internal friction. I said more forthright statement might have been more convincing in circumstances.

I asked if I was correct to base my judgment of statement on final para thereof and to interpret this to mean Indonesia intends impose embargo on shipment strategic materials to Commie China, as Subardjo had informed me orally wld be decision (see Embtel 1601).² Subardjo answered in affirmative. He said this statement represented limit Indonesia Govt thought it cld go at this time. He said Amb Ali was being informed as to Indonesian situation, particularly with respect to result of embargo on rubber, and wld return to US to take up matter of obtaining US goods needed by Indonesia.

Turning to Amb Ali I assured him Embassy and STEM Djakarta are handling most sympathetically and helpfully Indonesian requirements for imports from US. I said when particularly urgent case existed, such as need of spare parts for Convair planes that was brought to my attention by Djuanda, special steps were taken and prompt results achieved. I said Indonesian Govt cld count on us doing everything possible at this end to help justify legitimate and reasonable Indonesian requests for US products. Amb Ali said he had been assured of sympathetic US interest by SecState and Asst Secy Rusk before his departure and that he realized our problem.

I admitted loss to Indonesia thru drop in rubber price was serious, but insisted it was not calamitous and should not be overplayed. I argued against Indonesia endeavoring count upon proceeds from export sale one product quickly to finance rehabilitation national economy which had deteriorated over many years. I said rubber prices had skyrocketed as result Korean war where US bearing important share

¹ Documentation on this resolution, approved by the United Nations General Assembly on February 1, is scheduled for publication in volume VII.

² Not printed; see footnote 4, p. 660.

of burden in both men and materials. I referred to US efforts reach stabilizing agreements London and Rome. I cautioned against any tendency now demand from US either stabilization rubber prices or provision goods under firmer assurances and better terms than we can give our allies in arms. I said Indonesia shld be mindful of possible reaction in US to such demand lest this might increase US tendency to depend more importantly upon synthetic rubber.

I recalled to FonMin and Amb Ali material assistance US had rendered thru Exim Bank and ECA as well as part we played in obtaining reduction Indonesian debt to Netherlands by 2 billion guilders. I mentioned heavy investment American private capital in Indonesia and new funds being brought in by Stanvac, Caltex, Goodyear and others, on our recommendation. I pictured diversity Indonesian resources for most of which US is excellent market. Ali admitted these facts but feared Communism wld grow in Indonesia if losses sustained thru drop in rubber prices and standard living consequently lowered. I expressed personal opinion such argument wld not be recd with much sympathy in US considering billions US spending in Korea to protect free nations including Indonesia from external Communist aggressors.

I said Indonesia had done almost nothing toward suppressing Communism within Indonesia since achievement sovereignty and that disorders had reached their height during past few months when greatest profits were being obtained from rubber and economic prosperity rising. I mentioned murders, kidnappings, looting, pillaging and strikes. I referred particularly to slowdowns in American owned and other plants. I pictured losses to govt in taxes, export proceeds, etc., I stressed necessity Indonesian Govt seeing their situation from all aspects and not endeavoring blame US, which has been Indonesia's greatest benefactor, for presently threatened economic decline and Communist growth. I said Embassy, ECA and White Engineers all cooperating thoroughly and working hard in genuine effort assist Indonesia recover and maintain sound and prosperous economy. As champion of Indonesia's cause, and personal friend both Subardjo and Ali, I felt constrained however to give them frank advice on important matter of policy now at issue.

Reverting to subject of rubber I said I assumed that, since FonMin and Amb Ali were stressing so importantly the unhappy results that wld come from UN decision and were planning to make approach to US on provision goods, Indonesia definitely intends include rubber in strategic materials to be embargoed. I intimated situation wld be serious if they did not. Subardjo said statement he had handed me

indicated determination to adhere to pattern trade as existed before embargo, when no rubber was exported to Commie China.³

Subardjo asked me if Wilson of GSA was in Washington. I said I understood he was coming to Thai. I asked if Subardjo desired Wilson come Indonesia. He said contact with Wilson here and Rome had been helpful and he wld consult his technical staff to see if they thought any useful conversations cld be had here in near future. He wld let me know shortly (Deptel 1286).⁴

COCHRAN

³ In telegram 1656 from Djakarta, May 26, Ambassador Cochran reported that after talking with the Foreign Minister, he had a conversation with Mr. Djuanda and asked him if the Cabinet statement on the United Nations resolution actually meant that Indonesia would embargo rubber to the People's Republic of China. Mr. Djuanda replied that the statement had been drafted primarily for domestic consumption, but he did intimate that Indonesia would cooperate in a sincere fashion. (493.009/5-2651)

⁴ Not printed.

460.509/5-2651: Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, May 26, 1951—3 p. m.

1298. Deptcirtel 734 May 24.¹ Dept believes that, under Kem Amendment only two obvious courses action open: 1) stop all types econ and fin asst to Indo; 2) attempt obtain NSC exception for Indo in US security interest.

On assumption that amendment will become law, Dept wld appreciate your views on: 1) consequences of fol either alternative above; 2) course we shld pursue; 3) our tentative estimate that: *a*) Indo is not at this time willing to cut off its current trade with Soviet bloc (particularly in view its trade agreements with Poland, Czechoslovakia and Hungary); *b*) even if Indo had no Soviet bloc and China trade or in event it willing cut off such trade, it wld be unable to make certification required particularly as wld have to be made matter public knowledge in NSC reports to Congress; *c*) Indo wld probably be reluctant to be only exception, or one of small nr of exceptions, but it might not have same feeling if member large nr countries for which NSC issued exceptions.

ACHESON

¹ Not here printed. The Kem Amendment was Section 1302(a) of the Third Supplemental Appropriations Act of 1951, which became law on June 2. The text is printed in 65 Stat. 63.

493.009/5-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, May 28, 1951—6 p. m.

1671. Received by Djuanda afternoon 28th my request. Asked him help me review situation in light Indo statement on embargo following cabinet meeting last week (Embtel 1651) and Govt statement to Parliament today (Embtel 1668).¹ I said press had carried confusing stories on whether rubber should be included in embargo. I had been unhappily impressed by anti-American attitude of press.

Djuanda said not single cabinet member anticipates rubber will not be included in embargo. Said they all realize it must be included. Said decision taken however not to mention rubber or any other commodity in govt's statement on policy toward UN resolution. He said Indos waiting to see if and when British let it definitely be known that rubber is to be included. They feel British may delay and bargain with US while Indos lose heavily thru drop in rubber price and are likely be discriminated against by British in Malaya. In explanation latter point Djuanda said Indos fear priority will be given in Malaya to remilling and exporting rubber of domestic origin. With more restricted market for rubber exported out of Malaya Indos fear their rubber may not receive equality of treatment in remilling and may remain unsold. Consequently they want to work toward getting best possible arrangement with British and at same time obtain just "as favorable treatment from US as British may obtain thru bargaining over inclusion Rubber." I told Djuanda that reasonable amount looking after own interest expected but, as I had told Subardjo and Amb Ali last week (Embtel 1651), I cautioned against over playing this with US.

Djuanda referred to our conversation of year ago when he advocated US interest itself in buying slab and other low grade rubbers directly from Indo. He said native producers are ones now likely suffer most thru decline in rubber market and possible congestion low grade rubber in Malaya for remilling and re-export. He regrets no way appears open to bring relief directly to this situation.

As to criticism of US policy, Djuanda admitted this had been recently even sharper than usual. He asked whether I thought there might be some rather malicious Dutch business influence back of Diah.² Djuanda said he thought he had seen several instances recently of Dutch endeavoring make difficulties for Americans in Indo. I told him we could live thru that satisfactorily but I was more concerned

¹ Not printed.

² B. M. Diah, editor of *Merdeka*.

as to whether Indo Govt is to survive and be strong in its attitude toward Communists and other enemies of Indo institutions.

Djuanda said he was hopeful as to Sukiman Govt. He thought today's statement properly showed determination put security first and to punish illegal activities of whatever origin. He said convinced that if political strife between Masjumi and PNI parties can be put down and real coalition govt function, such govt will last and will take strong measures against Communism. He told me most secretly that Attorney General already has list of Communist leaders against whom action is proposed soon as govt feels sufficiently solidified to back such action. He said most dangerous point for dissidence between 2 major parties is that of planning for general elections. He said one contemplated system in favor Masjumi while another would give advantage to PNI. He hopes compromise on this question may be reached soon and genuine cooperation between parties ensue. He said if this not achieved govt will be short-lived and situation serious. Djuanda optimistic however as to outcome.

Djuanda reminded me that Indo press criticism just as critical of Indo as of US Govt. He hopes as coalition govt grows stronger it will have more influence on press and better reaction. When I mentioned desire give every possible support to govt particularly if it is really determined develop Indo into bona fide member free nation group, he recommended I pursue present policy of maintaining good relations with Cabinet members, of acquainting them frankly with American attitude and of refraining from mixing in propaganda battle with Communist elements.³

COCHRAN

³ In telegram 1311 to Djakarta, May 29, Ambassador Cochran was instructed to inform the Indonesian Government that the United States would not bargain with Indonesia and was not bargaining with the United Kingdom about the full applicability of the United Nations resolution concerning rubber (493.009/5-2851).

756D.00/5-3151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, May 31, 1951—4 p. m.

1681. Amb Ali visited with me 2 hours my home forenoon thirtieth his request. He gratified statement Masjumi party will support Sukiman Govt; believes this is strongest Indo Govt to date; thinks it has good chance success, if principal parties continue cooperate. He has observed shortcomings of govt ministries and floundering that has resulted from too many parties, too much polit maneuvering and too few capable leaders occupying positions sufficiently long to exercise auth efficiently.

Amb Ali had only kindest things to say about US Govt and was particularly appreciative of farewell talks had with Sec State and Asst Secy Rusk. Was glad to bring their messages to his govt and hopes take back reciprocal good will greetings when he leaves Indo first week June.

We discussed Emb also and mentioned possible repercussions Kem amendment. Amb Ali said Indo Govt thru various ministries particularly that of economics working on list of strategic materials as required by UN resolution prior June 18. He admitted most guardedly there is strong controversy within Indo Govt as to whether rubber shld be included. I reminded him it was Brit shipments rubber to Commies that perhaps contributed more than any other cause to congressional unhappiness and trend in direction Kem legislation. I said Indo wld certainly get bad reaction in US if rubber not included. He made point other countries now also deciding what materials they should consider strategic, and implied Indo might not be alone in classifying rubber as non-strategic. He said Indo had been quite stirred up over UN resolution. He understood Amer viewpoint but saw difficulty reconciling this with Indo. He was under impression US Govt wld be satisfied, however, if Indo simply adhered to "historic pattern" in fon trade. (Care must be taken to see that Indos do not interpret this expression to permit them export directly or through new intermediaries goods to ultimate destinations) such as Chi or Russia (that heretofore reached such destinations thru Malaya).

Recd Amb Ali and dictated foregoing parts in present form before arrival Deptels 1310 and 1311.¹ My conversation with Amb Ali adds evidence that as revealed in my talk with Brit Amb (Embtel 1657)² and Djuanda (Embtel 1671) that Brit have been in touch with Indos in effort have strategic character rubber exports analyzed and determined quantitatively. Telegraphic press reports from Colombo indicate Ceylon intends boldly flaunt UN recommendation insofar as rubber concerned.

I will continue keep Indo Govt informed at every opportunity as to US expectation Indo embargo rubber as duty UN member. Indo not likely however, to make public statement committing Indo to full embargo on rubber so long as reason to doubt Brit will go that far.

COCHRAN

¹ Neither printed; for a summary of telegram 1311 to Djakarta, May 29, see footnote 3, p. 667. Telegram 1310 to Djakarta, May 29, which is not here printed, dealt with the British interpretation of the United Nations embargo resolution. Documentation on the British position is scheduled for publication in volume VII.

² Not here printed.

456D.009/6-151 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, June 1, 1951—7 p. m.

1327. Re final para urtel 1684, May 31.¹ Dept suggests that you postpone discussion with Indo Govt of Kem Amendment for short time. We expect Amendment to become law near future and that Presidential statement will be made at that time.²

A. CHESON

¹ In telegram 1684 from Djakarta, May 31, Ambassador Cochran was asked by Mr. A. K. Pringgodigdo, President Sukarno's Secretary, to explain the UN embargo and the Kem Amendment to President Sukarno in such a fashion as to allow Indonesia to "save face." The Ambassador indicated that he was willing to try if President Sukarno requested an explanation. (756D.00/5-3151)

² In telegram Ecato 340 to Djakarta, June 4, the Embassy was informed that President Truman on June 2, had said the following with regard to the Kem Amendment: "I think it likely that NSC will find it necessary to make exceptions on a broad scale until the Congress has an opportunity to give this matter further consideration." The Embassy was also told that the plan at that time was for all aid recipients to get blanket exceptions from the amendment from the National Security Council until definite procedures could be worked out. Moreover, the NSC would soon make a country evaluation for Indonesia to ascertain if the Kem Amendment should apply to Indonesia. (400.009/6-451)

—883.00-FA/6-151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

PRIORITY

[DJAKARTA,] June 1, 1951.

1685. 1. Consequences stopping all types economic and financial assistance to Indo (Depcirtel 734¹ and Deptel 1298²):

a. Cutting off type assistance handled Embassy on travel grants, scholarships, etc, would have no significant effect. Difficulty experienced in finding Indos qualified and available for taking advantage such opportunities. Indo Govt has not accepted Fulbright arrangement or gone further than initial and long delayed approval some ideas under Point IV.

b. Current program ECA envisages spending approximately eight million dollars for each FY 1951 and 1952. Program encompasses aid particularly to agriculture, public health and small industries. Little progress made on these lines to date except planning and submitting projects and orders to Washington, and ordering some fishing boats from Japan. UN has organization Indo interested in same three lines endeavor and could provide technical assistance. Consequently elimination ECA from these lines endeavor would have little material effect.

¹ Not printed.

² In telegram 1298 to Djakarta, May 26, the Department took the position that under the Kem Amendment either all aid to Indonesia had to be cut off, or the Department would have to try to obtain an NSC exception for Indonesia. Ambassador Cochran was asked for his estimate of the consequences if either course was followed, and the Department wanted his guidance as to which course should be pursued. (460.509/5-2651)

c. J. G. White engineers under two year contract to Indo Govt financed by ECA making basic survey transportation, harbors, hydro-electric power, mining, etc, with view help Indo plan rehabilitation economy and achieve increased production and export. Progress being accomplished by engineers which can be highly useful if Indo Govt accepts findings and follows advice. Engineers being used study Indo import requirements, cooperating with ECA and Embassy on recommendations. Also reviewing projects under Exim Bank credit. If contract between Indo Govt and private firm could be considered logical exception from rule, this would merit consideration.

d. Exim Bank credit one hundred million dollars not yet drawn on since Indo Govt has not ratified, as required Indo law, some fifty million dollars of projects already approved by Exim Bank. Indo Govt will seek early ratification. Total projects contemplated under Exim credit are of capital nature destined rehabilitate economy and augment production and export. Effect of Exim credit not yet felt materially altho granting gave internal and international confidence in Indo and facilitated currency reforms. To stop Exim Bank credits would make it more difficult for Indo get machinery, equipment and materials used in building up country's economic plant.

e. Indo reached point where balance of payments favorable accumulated fifty million dollars in gold and considerable foreign exchange. These resources could be drawn on to take over White engineers contract if so desired. Likewise could pay for essential imports to extent likely obtainable in view short supply such materials as those sought from US under Exim credit.

f. If denial economic aid under Kem amendment also envisages tighter priority policy on exports purchased with Indo's own resources, this would be genuinely powerful lever toward getting Indo into line with UN-US embargo policies.

g. UN embargo resulted in bitter Indo press campaign against US which would be sharply accentuated by strict application Kem amendment. This should not upset Sukiman Govt. It should not interfere with US purchasing on this market if US willing and capable provide goods required by Indo as adequately as other possible purchasers of Indo products.

h. Stopping aid would encourage some leftist elements argue in favor of more generous trade arrangements with China and other commie countries.

i. Stopping aid might encourage various Indo elements conservative, realist, pro-western, anti-commie et al, to wage campaign in behalf meeting US requirements.

2. Consequences of obtaining exception for Indo:

a. Would leave this rich producer free to disregard UN embargo and to sell to China and other commie countries tin, rubber, petroleum and similar products of strategic value for opposing UN and US.

b. Would lead Indos to conclude lack of sincerity on part US in fostering UN resolution and lack seriousness Congressional legislation.

3. Course to be pursued:

a. If policy making general exceptions is followed Indo would normally be included. US naturally felt its national interests being

advanced by financial and economic aid granted and planned for Indo. Furthermore, Indo products definitely contribute to supply war materials required by US and allies.

b. Indo has chosen "independent" foreign policy whereunder present FonMin has stated intent sell to devil if in interest Indo. In UN voting Indo abstained from condemning China as aggressor and in imposing embargo. Indo refused offer of US military aid thru Melby mission. Indo govt has made no statement in support UN policy in Korea or in appreciation US efforts there toward defending free nations, including Indo, from actual and threatened aggression.

c. On basis reciprocity for any consideration shown US by Indo, latter deserves no consideration in matter of exceptions. Their sales to us have resulted from our having money, ships and needs for Indo products. Indo will continue sell to US if we are best available customers. Unless we require strict adherence by Indo to UN embargo and Kem amendment rules, Indo will feel free to sell wherever expedient.

d. It is recommended Indo be considered exception only if large number countries so considered. To oblige Indo to respect US legislation and comply with rules thereunder might now really help Indo rather than cause injury. Sukiman govt basically friendly to US. If forced take significant decision toward denying strategic materials to commie areas, including abrogating bilateral agreements providing small amounts tin and rubber to Poland, Czechoslovakia and Hungary, this might strengthen hand Indo govt and induce it follow more forceful policy against communism internally well as externally.

e. If decision is taken not to seek exception for Indo, recommend I be informed in advance, in order give me opportunity for straightforward talk with Indo Govt including President Sukarno with view to showing them advantages of meeting our requirements and disadvantages of not conforming. My hope would be to get Govt make public announcement of policy in line with ours prior to effective date US action. This would offer opportunity save Indo face that would be lost if conforming to our wishes should come only after penalties actually imposed. While admittedly Indo should as honorable member UN respect UN embargo and related US requirements, we unfortunately cannot at this date count on sufficient Indo courage or character to take requisite decisions voluntarily. We might have some chance of influencing in right direction by talking prior US penalties inflicted, always provided we are as strict with and do not permit Malaya receive more favorable treatment than Indo.

Foregoing views not discussed with Indo or STEM officials.

COCHRAN

493.56D9/6-551: Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET

WASHINGTON, June 5, 1951—8 p. m.

5667. Dept June 4 discussed with Brit Emb officers question of views Brit conveyed to Indo re inclusion rubber on embargo list under GA res. Dept officers stated we had been making very satis progress with Indos re inclusion rubber on embargo list; that we were aware differ-

ences of view which exist between US and UK this problem; that we regarded Indo decision which we believe may be made immed future as to whether or not to include rubber on embargo list as one of great importance in that it might determine Indos gen orientation as between East and West; that we hoped Brit wld see fit in any views they might express to Indo to press for inclusion rubber in UN embargo list.

Brit Emb officers said Kermode¹ had been instructed inform Indos that any shipments of rubber to China at this time wld be in violation of GA res in view fact essential Chi civ requirements for 1951 have already been filled. They raised question whether Indo Govt in position to control smuggling of rubber in China. In reply, Dept officers emphasized that Brit "formula" involving explanation that rubber included on list because Chi civ requirements filled, wld not satisfy requirements Kem Amendment in Indo case. We noted, however, that full legal interpretation effects Kem Amendment connection loans not yet available.

Brit Emb officers stated Dept views wld be conveyed UK govt.²

Sent to AmEmbassy London 5667, rptd info AmEmbassy Djakarta 1340.

ACHESON

¹ Derwent W. Kermode, United Kingdom Ambassador in Indonesia.

² On June 11, Mr. Tomlinson, Counselor of the United Kingdom Embassy in the United States, called upon Mr. Lacy to inform him that, on the basis of the conversation of June 4, Ambassador Kermode had been instructed to delay indefinitely his representations concerning rubber to the Indonesian Government. Mr. Lacy reiterated the Department's position that it wanted the Indonesians to embargo rubber to the People's Republic of China with no qualitative restrictions imposed on that embargo. Mr. Tomlinson responded that he thought his government would reverse its decision and embargo rubber without any qualitative restrictions. (456D,419/6-1151)

400.009/6-1251 : Telegram

The Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, June 12, 1951—7 p. m.

1359. Dept yesterday called in Ambs SEA countries to discuss Kem Amendment. Rusk and Gay¹ spoke to Indo econ counselor Thajeb² (in absence Amb Ali), who was accompanied by econ off Ompi.³ Thajeb stated he was familiar with Kem Amendment, having cabled it verbatim to his Govt one week ago.

Gay gave exposition Kem Amendment pointing out certification procedure will become effective after June 17. Countries unable meet

¹ Merrill C. Gay, Economic Adviser, Bureau of Far Eastern Affairs.

² Dr. Ismail M. Thajeb.

³ August F. Ompi.

Kem Amendment procedures may be subj of exception by NSC if determined in security interest US.

Commenting on desirability of friendly and frank discussion of amendment, Rusk said Dept hopes Indos will understand that Cong in passing this law has no desire to exert control over affairs of friendly govts, but is motivated primarily by strong desire support soldiers fighting in Korea, by decreasing aid which may accrue to their enemies. Rusk emphasized he had discussed Kem Amendment with several Sens who although alert to its potential difficulties nevertheless supported it for above reason.

Thajeb pointed to obvious difficulties Indo Govt wld have in complying with Kem Amendment procedures in view Indo commitments under its existing bilateral trade agreements with such countries as Poland and Hungary. In response Thajeb's question he was informed rubber wld be on controlled list.

Giving brief thought to possible results shld Indo Govt cancel its trade agreements with satellite countries, Thajeb asked whether in such eventuality Dept cld suggest alternative source or sources supply from which Indo cld acquire manufactured goods now covered by these agreements. Dept of course unable make compensatory supply commitment for US Govt. Thajeb informed that Kem Amendment affects only such econ and financial aid as grants and loans, but probably does not affect normal business channel purchases by Indo Govt in US or ECA claimant agency function.

Gay mentioned NSC now considering issuance temp blanket exception to permit more time study each country's problems.

Rusk said Dept wld be grateful if Thajeb wld request info from his Govt on fol points: 1) broad policy attitude of Indo Govt to Kem Amendment, bearing in mind Amendment's basic purpose assist soldiers now engaged in hostilities in Korea on behalf UN; 2) extent to which Indo Govt able and willing meet Kem Amendment requirements; 3) considerations which might cause NSC make specific exception in favor Indo under Amendment's provisos, including problems such as caused by existing Indo trade agreements other countries.

Thajeb thanked Rusk for clarifying discussion Kem Amendment and related problems, and stated he wld request desired info from his Govt.

In response his question Thajeb further informed Am Emb has not yet discussed Kem Amendment with Indo Govt Djakarta. You may at your discretion assist Indo officials understand purposes and procedures Kem Amendment. Dept will supply further info as available. Pls continue keep Dept currently informed Indo public and Govt reaction Kem Amendment.

AACHESON

400.009/6-1551 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, June 15, 1951—8 p. m.

1379. Deptel 1359 Jun 12. Sudarpo¹ called on Lacy today primarily to discuss Kem Amendment. After discussion origin, objectives, and possible operation of Amendment Sudarpo in response direct question stated in his opinion RI will comply with certification requirements of Kem Amendment.

He clearly considers RI will take this action, as form of hedging in public relations, as necessary means build up Indo popularity in US in advance of potentially unpopular steps which RI plans take re redrafting agrarian legislation, renegotiation oil contracts, and revision current foreign exchange privileges of petroleum cos in Indo, and completion nationalization Java Bank. Indo Govt realizes these measures, which it considers essential to natl welfare and in no sense Commie inspired, may nevertheless bring invidious criticism of Indo Govt as "socialist Govt sympathetic to communism." In circumstances Sudarpo believes Indo Govt probably willing accept Kem Amendment procedures to demonstrate to US it is opposed to Commie imperialism.

With implied ref to RI's existing trade agreements with satellite countries, Sudarpo expressed belief RI wld certainly certify under Kem Amendment if US Govt cld supply assurances RI wld be able purchase and receive manufactured goods necessary to successful Indo economy.

Sudarpo emphasized that in any event it is necessary all levels Indo Govt understand the purpose of Am Cong and of Exec Branch US Govt apropos Kem Amendment to deny war supplies to Commie countries and not to impose conditions with regard to econ and financial assistance originally offered by US to Indo with no polit strings attached.

Dept ready devote attn to "potentially unpopular" acts of Indo Govt as occasion arises. In meantime Dept considers it important every Emb Off with useful Indo contacts shld emphasize that purpose of Kem Amendment is as stated above.

It appears from Sudarpo conversation and recent Emb reports that Indo leaders becoming increasingly fearful Commie threat from within. Dept believes worthwhile consider possibility they ready take initial definite step, such as acceptance Kem certification procedure, toward US in inevitable choice between USSR and US. Such step might be facilitated by Emb presentation Kem Amendment in acceptable light.

ACHESON

¹ Sudarpo Sastrosatomo, Press Attaché of the Indonesian Embassy.

493.009/6-1651 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET

WASHINGTON, June 16, 1951—4 p. m.

PRIORITY NIACT

5934. Re Djakarta's 1767, June 15, 1951, repeated in full London 30¹ Brit Emb June 15 gave Dept in strict confidence copy UK draft report to UN showing UK giving broad interpretation UN embargo formula. Brit embargo on rubber unconditional, includes *a*) natural rubber (including latex and scrap) *b*) synthetic rubber *c*) oil and fire resisting rubber hosing and high pressure hosing *d*) tires and tubes other than for pedal cycles.

Brit plan official announcement Brit UN list through BOT possibly Tuesday, June 19 and desire no prior publicity re Brit list. Pls request Brit, however, immediately to permit you inform AmEmb Djakarta soonest that rubber included in Brit list, in order that he may inform Indo Govt which (Djakarta tel 30) waiting Brit lead. As second alternative ask Brit immediately to instruct Brit Amb Djakarta inform Indo Govt Brit position on rubber.

Sent AmEmbassy London, priority niact 5934; rptd info AmEmbassy Djakarta priority 1384; ² USUN 992.

ACHESON

¹ Ambassador Cochran in telegram 1767 from Djakarta, June 16, informed the Department that the Indonesians still did not wish to go further than the United Kingdom with regard to the inclusion of rubber as a strategic material under the UN embargo. The Ambassador also stated that he had not yet discussed the Kem Amendment with the Indonesians along the lines set forth in telegram 1359 to Djakarta, June 12 (p. 672), because he did not feel that, given the circumstances, this would weaken rather than strengthen Indonesia's resolve to comply with the UN and Kem measures. (493.009/6-1651)

² A separate paragraph in the message to Djakarta only reads:

"Dept notes urtel 1767 you have judged it best not approach Indo re Kem amendment along lines Dept tel 1359. Dept of course believes Emb action based Dept tel 1379 similarly your discretion."

493.009/6-1851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET NIACT

DJAKARTA, June 18, 1951—noon.

1776. As authorized by London's 6634 to Dept, repeated 54 to Djakarta,¹ I called on Secy Gen Darma Setiawan of Indo FonOff 9:30 a.m., June 18 and communicated orally substance Deptel 5934 to

¹ In telegram 6634 from London, June 17, the Department was informed that the United Kingdom Foreign Office had no objection to Ambassador Cochran informing the Indonesian Government unofficially that the United Kingdom was giving a broad interpretation to the UN embargo formula with an unconditional embargo on rubber (493.009/6-1751).

London, rptd as 1384 to Djakarta. Darma noted UK giving broad interpretation UN embargo formula with unconditional embargo on rubber. Darma noted specifically four categories of rubber to be included.

Darma stated wld inform FonMin at once, wld discuss with Mukarto,² who is here from UN, and wld cable instructions to Palar. I impressed upon him necessity keeping Brit UN list secret until Brit themselves give publicity thereto. I informed him I wld let Brit Amb know of my call.

Was received by Brit Amb 10:30 a.m. and told him foregoing. He had not yet received cablegram from London and doubted it wld come in time for action 18th.

Dept pass London, sent niact Dept 1776, rptd info London 31.

COCHRAN

² Mukarto Notowidigdo, Deputy Representative for Indonesia to the United Nations.

756D.00/6-2151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, June 21, 1951—5 p. m.

1798. Received by Vice President Hatta 11 a. m. June 21 my request. I sought his assistance become properly oriented on Indo situation considering many changes that had come and problems that had arisen since we last had good talk. I expressed admiration his tours thru country whereon he has recently advocated hard work, law and order and better understanding problems involving foreign investment in Indo. I also mentioned his helpful interest in cooperative enterprises and work STEM has undertaken toward strengthening such organizations. I agreed endeavor see he gets financial support for his scheme of cooperative smokehouses which wld permit native rubber being treated in Borneo and Sumatra to such extent it wld be acceptable for export directly to US rather than be required pass thru remilling process Malaya.

I referred close manner Hatta and I had worked together on economic and financial provisions RTC agreement. I spoke of danger both to Indo and to third parties in abrogating union in such way as to cause bad relations between Neth and Indo or to give third countries less security with respect their interests in Indo than provided or anticipated under RTC agreement. I remarked that no third party cld participate in prospective Neth-Indo negotiations on Union dissolution so Indo wld be lacking outside support. At same time outsiders would have no direct voice in arrangements to be substituted for protective measures for themselves included in RTC provisions. I

expressed unhappiness over rather hasty statements made by members Sukiman Cabinet before they had time formulate actual govt policy. I referred particularly to statements re nationalization Java bank and certain industries emanating not only from Cabinet members, but from parliamentarians and other Indo leaders. I said much of press strongly anti-western and anti-capital. I had duty to report actual situation to my govt. I felt obligation toward American investors including both those concerns already operating in Indo which I had encouraged to expand since transfer sovereignty, and those prospective investors who came to me for info and advice.

Hatta insisted that program of present govt is not going to differ from that which he favored at RTC and while he was PriMin. He said no nationalization anticipated except in case Java Bank and public utilities. He recalled that on his recent speaking tour he had argued against leftist ideas of nationalizing rubber factory (Goodyear) or American and Neth petroleum concerns. He said foreign capital invested in these going enterprises shld be left intact. Any new capital that can be raised internally or procured abroad shld be utilized in fostering additional industries. Hatta confirmed that present govt wld follow policy made known at Hague of increasing Indo interest in various concerns. He positively assured me however, that there is no intent to interfere with ownership of foreign concerns such as those specifically mentioned above.

I then told Hatta there were indications Indo was to become purely socialist state and was planning innovations even more extensive than highly developed countries like those of Scandinavia had been able adopt and perfect. I was particularly concerned over plan advanced by Sumitro when he was in Cabinet and over his recruiting campaign now being conducted in Western Europe. Hatta insisted Sumitro efforts were being directed toward procuring managerial talent to help operate Indo enterprises, and to act as advisors to proposed planning board of Indo Govt. He said board wld be made up of Indos. He said Indo Govt itself wld be responsible for planning but seriously needs good foreign technicians for managerial and advisory duties, and particularly for training Indos. I pointed out good job White engineers doing on surveying basic problems such as those of harbor, transportation and power facilities. I thought these three problems shld be first consideration by engineers competent to eliminate port congestion, improve movement imports to final destinations inland, to bring increased amounts Indo products to ports for export, and to improve power facilities required for operating existing industries and taking care needed new ones.

I hoped Sumitro wld recruit technicians of variety nationalities supplement Neth already here and Americans now available under ECA and Eximbank arrangements. I hoped they would, however, be of such reputation and philosophy as not to lead world to conclusion Indo going to become socialist state with Commie sympathies, or state of excessive controls.

I told Hatta US interested much as ever to help Indo with material and technical aid to degree we can spare and to limit Indo can absorb. I pointed out repeated changes in Indo Govt and haphazard announcement of divergent policies restrict both extension and assimilation of aid. Hatta hoped present govt cld continue in office and develop sound, confidence-inspiring policy. He felt fon capital was and wld be welcomed by everyone except critical leftist elements which are opposing Indo Govt well as US and other western govts.

I expressed appreciation Indo Govt subscribing unconditionally to UN embargo particularly on rubber. I thanked Hatta warmly for manner in which he had helped in determining position to be taken by Indo delegate at UN on embargo question. I realized Indo cld not very easily speak out in advance UK in announcing its embargo position. Hatta said Ceylon had not made Indo decision easier and Indos still felt Ceylon wld try trade with China.

I solicited Hatta's support in seeking early ratification Eximbank projects and ECA agreement if latter found to require parliamentary approval. I expressed hope some members Indo Govt in supporting these measures wld have something favorable to say with respect to Indos relations with US. I said Hatta knew so well honest motives which had inspired US aid for Indo he must feel as badly as do I upon hearing and reading allegations that US extended this aid only for selfish purposes and to get Indo involved politically on our side.

I said I did feel Indo had obligation as UN member to support embargo measure unconditionally. I was sure US wld do everything reasonably possible to help Indo meet problems incidental to such compliance, as should other members UN. I mentioned Kem amendment and explained purposes thereof. I hoped Indo wld study carefully situation arising from that legislation and wld understand sympathetically position US, which is bearing greatest part of load containing Commie aggressor and protecting free nations therefrom, particularly states Southeast Asia. I did not see serious obstacles to Indo meeting US requirement under Kem provisions. I said Indo trade with Sov and satellite countries quite small. Hatta said Indo wld never have negotiated bilateral treaties with Poland, Yugoslavia and Hungary except this was outgrowth RTC whereunder Indo took over or renegotiated treaties with countries with which Neth had bilateral agreements. I said I thought Indo trade with Sov and satellite countries

less than two percent of export and import trade of Indo. I said rubber, tin and other exports from Indo to those countries in modest amounts as agreed upon in current treaties cld readily be absorbed by other purchasers. I deprecated extent to which Indo was receiving machinery etc from satellite countries under bilateral agreements. Hatta mentioned problems which Indo faces as result decline in prices rubber and tin. I agreed decline in prices threw out their budget estimates etc, but shld constitute no ground for polit attacks against US. I said US wld continue be excellent customer but shld not be expected pay prices inflated by our war effort in Korea.

Hatta said board directors Java Bank inviting ex-FinMin Sjafruddin become Pres director to succeed Houwink who desires return Neth July 6. He said Sjafruddin inclined accept but some Masjumi leaders desire he remain free for straight political work or at least agree serve as head Java Bank only temporarily. Hatta favors Sjafruddin and wld like for Houwink accept position as advisor. Hatta does not favor Sumitro-Margono family ¹ controlling all three Indo Govt banks.

COCHRAN

¹ Margono Djojohadikusumo, father of Professor Sumitro Djojohadikusumo, and President-Director of Bank Negara Indonesia (Indonesian State Bank) and Bank Industri Negara (State Industrial Bank), the other two Indonesian Government banks.

493.009/6-2151 :Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, June 21, 1951—7 p. m.

PRIORITY NIACT

1399. Palar today informed Amb Gross he has recd from Indo Govt list of strategic materials which Indo Govt considers subj UN embargo Commie Chi. Palar pointed out Indo list omits rubber.

As explanation this omission Palar (1) cited strong Indo public opinion blaming recent fall rubber price on UN embargo, (2) stated that Indo Govt thinks Cabinet might fall owing Commie and Leftist pressure if it were to embargo rubber Commie Chi, (3) declared that in actuality no Indo rubber is being or has been exported to Commie Chi.

Amb Gross emphasized strong adverse public reaction in US to Indo omission of rubber. He suggested that, since Indo in practice still adhering to historical pattern whereby no rubber going to Commie Chi, Indo Govt supplement its list with statement in its report to this effect, and add that Indo Govt will consult with AMC in event of any change.

Palar said he wld not release Indo list until tomorrow morning New York time. Dept requests you urgently bring Amb Gross' suggestion to attn Indo Govt and to attempt at your discretion to secure immed favorable modification Palar's present instructions. You shld, of course, refer to highly unfavorable reaction which may be expected from US Cong and public if rubber not included Indo embargo.

Pending consideration by Indo Govt of Amb Gross' suggestion Indo Govt might wish instruct Palar to defer filing of report. We are suggesting this evening to Dr. Ali that he telephone Palar to this end.¹

ACHESON

¹ Mr. Lacy telephoned Ambassador Sastroamidjojo at approximately 6:30 p. m. on the evening of June 21 to request that the Ambassador call Ambassador Palar to suggest that he defer the filing of the report with the United Nations until after he had received further instructions from Djakarta. Ambassador Sastroamidjojo agreed to place this call immediately. (493.56D9/6-2151)

493.009/6-2351: Telegram

The Secretary of State to the Embassy in Indonesia

SECRET PRIORITY

WASHINGTON, June 23, 1951—1 p. m.

1407. Reurtel 1807 Jun 22.¹ We strongly concur your recom that US let Indo know firmly and plainly that we expect unconditional embargo on rubber under UN formula. At your discretion you shld make it crystal clear to Indo Govt we hope Indo will announce unconditional rubber embargo pursuant UNAMC res. You shld add that failure to include rubber in UN embargo wld foreshadow performance or lack of it on part Indos which wld appear make it difficult for Indo certify under Kem Amendment. You may express earnest hope Indo Govt will make favorable decision at Cabinet mtg scheduled Jun 26 and will instruct Palar submit report to UNAMC with rubber included therein.

In consequence discussions with Palar by USUN and at our suggestion by Amb Ali, Palar said Jun 22 he delaying report "for time being." Dept asking USUN suggest to Palar he delay until he has received instructions from Indo Govt fol scheduled cabinet mtg.

If you consider it nec to forestall possible premature action by Palar you may suggest he be instructed await cabinet decision.

You may remind Indos Brit Govt publicly announced on Jun 19 embargo list including rubber and rubber products indicated Deptel 1384 Jun 16.

Sent to AmEmbassy Djakarta priority 1407; rptd info USUN New York priority 1011.

ACHESON

¹ Not printed.

493.009/6-2551: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, June 25, 1951—2 p. m.

1819. Received by Darma Setiawan 8 p. m. 24th. I gave him orally message contained Deptel 1407. I suggested I shld deliver same message formally to FonMin Subardjo soonest. Darma phoned Subardjo who agreed receive me 9 a. m. 25th. Darma let me know he had arranged for Hatta to see Subardjo on embargo question when Hatta visited FonOff on tour inspection morning 23rd. Darma said special Cabinet meeting might be called for 25th to discuss inclusion rubber embargo list.

Received by Subardjo 9 o'clock today. I gave him plainly and firmly message contained Deptel 1407. I told him was my duty as govt representative well as friend Indo to urge Indo decision in favor unconditional embargo on rubber. I pointed out applicability Kem legislation and vulnerability Indo at this time when part of Exim Bank projects in course ratification by Indo Parliament and balance yet to be considered by Exim Bank.

Subardjo told me that after he arranged last night for our interview this morning he got in touch with PriMin. Meeting was then held later in night attended by Sukiman, Subardjo, Djuanda and officials Min Economics. Subardjo said they calculated Indo losing 150 million dollars thru drop rubber price caused by UN embargo. He said they hoped US cld come to their relief through making counterpart funds available for utilization by Indo and through 50 million dollar loan to pay for rolling stock, telephone equipment textiles et cetera.

I said it was entirely unreasonable to endeavor assess US for alleged loss 150 million dollars attributed to UN embargo. I said I had never heard any estimate volunteered by Indos as to how much they had profited from rising prices of tin rubber and other products as result war effort US putting forth within UN to protect Indo and other free nations in path Commie aggressor. Subardjo then emphasized difficult internal polit situation and objection on part press and parliamentarians to Indo subscribing to embargo on rubber. I responded that Min Fon Affairs itself had been initially and directly responsible for stirring up official and public opinion against embargo and against US role in UN in this connection.

I said US wld not bargain with Indo in endeavor get this country meet its honorable obligations under UN of which it member and to which it owes its sovereignty so importantly. I said we wld not endeavor compensate Indo dollar for dollar for losses which they attempting attribute to action on part US. I said Indo shld accept rubber embargo unconditionally without any counter undertaking requested from US.

I did say McCune and I on behalf ECA and Dept State would be sympathetically receptive to projects to be submitted by Indo Govt for utilization counterpart funds for purposes which govt thinks most helpful and required by present situation particularly in light decreased revenues due drop in certain commodity prices. I said initiative shld come soonest from Indo Govt. I reminded Subardjo that McCune and I cannot take decisions here but wld pass projects promptly to Wash for further consideration and final action. I urged Subardjo get responsible officials Indo Govt busy on projects soonest for use counterpart funds.

I positively refused recommend any additional loan for 50 million dollars. I said Indos had not been able absorb ECA aid in 1951 as rapidly as anticipated. Furthermore Exim Bank projects for 52 million dols not yet ratified. Subardjo said meeting with Parliament (Embtel 1817)¹ had been planned for this morning but now cancelled since 7 Cabinet members meeting urgently on strikes in vital industries. He said Exim Bank ratification wld come up Wednesday.

I volunteered get Exim Bank experts out here shortly after ratification and after Indos take decision in favor UN formula on rubber. I said these could review projects they already approved and cld examine on spot proposals for utilization balance 48 million dols. I said experiences of Indo past few months and particularly tight budgetary position might cause Indos revise their projects. Exim Bank experts might suggest some revisions in view impossibility procuring certain short items from US. I particularly urged Indos get advice from White engineers who have now had opportunity make general survey ports, railways and certain industries for which Exim Bank items intended. I said these engineers wld probably recommend for instance that no more rolling stock be brought in but that now on hand be placed in condition. Furthermore, I thought they wld not recommend additional complicated machine tools in view large quantity on hand and until mechanics better trained for proper utilization thereof. I said so long as large balance Exim Bank loan unexpended there wld be no sense in recommending further. I said Exim Bank always sympathetic when it sees loans it makes are cleanly, constructively and properly utilized and re-payment thereon assured.

Darma Setiawan came in toward end conversation. To be sure of witness I repeated almost verbatim above statements which I had made on counterpart and loan possibilities. I was informed no special Cabinet meeting today but embargo question wld come up at regular meeting Tuesday.²

¹ Not printed.

² June 26.

Received by Hatta 11 o'clock today. I reviewed entire embargo situation with him including my visit with Subardjo. Hatta said understood Sukiman govt feared put rubber on embargo list now because likelihood strong leftist internal reaction. I stressed responsibility Sukiman govt itself for stirring up resentment to UN resolution and particularly to role US govt. I pointed out Sukiman govt had recently won overwhelming vote confidence and shld be sufficiently strong now to stand test of strength with leftist opposition. I said if Sukiman govt not willing risk this test to honor its obligation under UN resolution it wld be difficult if not impossible for US to extend further aid to Indo in face Kem legislation. I said it wld certainly not be possible for me to recommend further assistance.

Hatta said Indo Govt argued that placing rubber exports on embargo list really not necessary and wld have no significance since Indo rubber exports have gone to Malaya for remilling and distribution in this area and responsibility shld be on Malaya to prevent further shipments to China. I said this argument not valid in face fact Chinese Commies have approached Indo with respect barter rice for rubber and Sukiman govt has actually given consideration to such scheme. Hatta said he had not heard of this and did not believe it feasible because of lack of shipping, shortage rice in China, etc. I said responsible Indo Govt officials had told me of project and had given it serious consideration. I said I was convinced these same officials wld be willing export rubber directly to Commie Chi if this found feasible and if not prevented by UN embargo.

Hatta promised speak with Sukiman govt in favor decision for unconditional embargo. He said he would try attend tomorrow's Cabinet meeting.³

COCHRAN

³ In telegram 1433 to Djakarta, June 29, the Department commended Ambassador Cochran for the representations he had made as described in telegram 1819 from Djakarta (493.009/6-2551).

856D.10/6-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

DJAKARTA, June 28, 1951.

1838. Parliament June 27 ratified loan agreement amount \$52,245,500 concluded between Export Import Bank Indo January 12, 1951. Vote 69 to 25 with Leftist Parties and Indo Socialist Party against. Only 110 total 230 present night session when vote taken.

Parliament debates loan agreement included Communist spokesmen charge loan violates Indonesian independent policy, objections agreement negotiated by Indonesian Embassy Washington, and re-

sentment Parliament not consulted terms agreement and use loan. Head Parliamentary Comite which reported out loan objected Parliament presented with *fait accompli* and raised serious specific inquiries re agreement. These included whether means could not be found reduce Indo dependence American businessmen, shipping and insurance companies in implementing loan; whether imports under loan would be monopolized by Dutch big five importers Indo; whether agreement standard contract or especially favorable Indo; what steps govt prepared take view Export Import Bank inability procure priorities, licenses for goods financed by loan; and why Indo required submit progress reports to instrument foreign govt when only important consideration whether loan repaid.

In reply Min Finance Wibisono stressed Indo need foreign loan, said Russia had accepted loans from England US, stated Indonesian businessmen would participate import goods financed under agreement and said report required by bank were [*was*] in substance guarantees for loan repayment. Said govt disappointed bill only now discussed Parliament and said result this delay Export Import Bank had postponed consideration other projects. He defended executive right conclude loan agreements and said US officials could be approached obtain procurement priorities. He said foreign exchange permits totaling \$35 million had been issued for imports which govt hoped finance by Export Import loans but added permits totaling only \$18 million had been utilized to date view procurement difficulties.

COCHRAN

493.009/6-2951 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, June 29, 1951—1 p. m.

1847. Received by FonMin Subardjo 9 a. m. 29th his request. He said he desired amplify info he had given me yesterday re Indo decision on UN embargo resolution. Said he had not been more specific yesterday since Calhoun was with me (Embtel 1837).¹

Subardjo said Cabinet had invited chairman Sunarjo² of Parliament fon affairs section to attend session night 27th for decisive discussion embargo. FonMin said debate was strenuous but decision taken to include both tin and rubber on embargo list. He said govt thought it shld take advantage suggestion Palar reported Amb Gross had made to him.

¹ Not printed.

² Mr. Sunarjo, member of the Nahdatul Ulama, a Moslem religious, social, and educational organization affiliated with the Masjumi Party.

Consequently Palar cabled instructions 28th to effect he was: (1) To proceed with submission to UN of Indo embargo list including rubber, (2) to explain economic repercussions of embargo on Indo economy, (3) to state Indo desires achieves situation of strength and that Indo economic stability is to advantage US and (4) to reserve to Indo privileges reopening with AMC question embargo if necessity shld arise. Subardjo said he considered (4) entirely academic but Cabinet thought it shld accept what it considered escape clause presented by Gross.

Subardjo expects Palar to proceed promptly with implementation above instruction. Indo Govt plans make no statement there—or Djakarta.

COCHRAN

493.56D9/7-551 : Telegram

*The United States Deputy Representative at the United Nations
(Gross) to the Secretary of State*

RESTRICTED PRIORITY

NEW YORK, July 5, 1951.

31. Re embargo resolution—Indonesian response.

Following is text of Indonesian response to embargo res submitted UN by Palar today and received informally from UN by USUN:

“Reference is made to res No. 500 (V) adopted by the GA on 18 May 1951. Under instructions from my govt, I have the honour to invite your attention to the following:

Subsequent to the adoption of the res under reference, the Govt of the Republic of Indonesia, in an official statement, declared *inter alia*: ‘The delegation of the Republic of Indonesia abstained from voting upon the res, thus acting in line with this country’s active and independent foreign policy of contributing to the preservation of world peace.’

The Government of the Republic of Indonesia further stated that ‘the facts show that until the present moment there have been no exports from Indonesia to the PRC of vital materials’. I should like to emphasize in this connection that this situation stands until today; no exports or reexports of strategic materials have taken place to the PRC and NK.

With reference to the fact that the res adopted by the GA represents a recommendation to members of the UN which gives the opportunity to each member to determine what materials, in its opinion, are of strategic nature, my govt concluded its statement in the following words: ‘The Govt of Indonesia, in the sense indicated above, will be able to honour the recommendation of the UN’.

My govt has consequently drawn up the following list, setting out the commodities to which, in its opinion, the res of 18 May refers.

Category A. (This category comprises commodities actually being exported to countries other than the PRC and NK).

Petroleum and petroleum derivatives.
 Rubber.
 Tin.
 Bauxite.
 Manganese ore.
 Coal.
 Industrial diamonds.
 Scrap iron.
 Hides.
 Kapok.
 Fabres.

Category B. (This category comprises commodities which may become exportable in the future, in which case they automatically fall under category A.)

Nickel and nickel ore.
 Cobalt.
 Sulfur.
 Copper.
 Asbestos.
 Asphalt.
 Iron ore.

The list will be kept under review and the Govt of the Republic of Indonesia reserves the right to make such revisions therein as it considers necessary.

I should be grateful if you would bring the above to the attention of the AMC."

GROSS

756.5-MAP/7-951 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, July 13, 1951—6 p. m.

65. Urtel 29 July 9.¹ Indo Amb has not requested reimbursable mil aid for Indo under Sec 408 E MDAP.

Indo Emb has requested priority assistance (DO rating) on nr contracts for mil forces. However, pending inclusion rubber by Indo in list goods considered covered by UN res Dept has neither taken extraordinary efforts to prevent nor extraordinary efforts to assist in procurement goods in US. Under this policy Dept has for some time withheld approval priority assistance for number Indo contracts with US firms. When satis response assured Dept notified Munitions Board its

¹ In telegram 29 from Djakarta, July 9. Ambassador Cochran reported that he had been informed that Ambassador Sastroamidjojo had been instructed to ask for reimbursable military aid for the Indonesian National Police (756D.5-MAP/7-951).

approval issuance necessary DO's 825 radio sets (SCR-694) for Indo Army. These orders in process issuance. Dept also urging favorable consideration DO covering industrial hand tools, 35 battery chargers, 20 water clarators (purifiers), 150 motorcycles and 75 sets motorcycle spare parts. Two orders tires and tubes and 126,000 feet subterranean telephone cable being actively studied. Separate tel fol on subject tires.²

ACHESON

² Not printed.

856D.2553/7-1651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, July 16, 1951—6 p. m.

73. Deptel 51, July 11.¹ Butterworth of Caltex² raised with me several days ago question of procuring Indonesian assurances against nationalization Caltex properties.

I gave Butterworth my preliminary views but suggested our mtg after I might have separate talks with leading Indonesian officials. My cables, particularly Nrs. 1798,³ 1841 and 1851⁴ reported my conversations with Hatta and various Cabinet members in which I brought up gen subj protection American interests without mentioning any American company by name. Embtel 1828 of June 27,⁵ gave published info on attitude Indonesian Govt toward nationalization.

¹ The Department informed Ambassador Cochran in telegram 51 to Djakarta, July 11, that representatives of Caltex had called that day at the Department and had discussed with Mr. Lacy and others ways and means whereby Caltex could obtain the most effective assurances from the Indonesian Government that Caltex interests in Indonesia would not be nationalized. The Department instructed Ambassador Cochran to discuss these matters with Mr. Butterworth, if possible, and then make recommendations to the Department regarding the following points: 1) the manner and timing of the Caltex approach to the Indonesian Government bearing in mind the company's need for long range planning; 2) the Indonesian officials to whom the approach should be made; 3) the manner in which the Department might participate in an agreement to give it additional force. (856D.2553/7-1151)

² E. M. Butterworth, President, American Overseas Petroleum Company, a subsidiary of the California Texas Oil Company, Limited.

³ Dated June 21. p. 676.

⁴ Neither printed.

⁵ In telegram 1828 from Djakarta, June 27, Ambassador Cochran reported that, with the exception of the Communists, the other political parties were not emphasizing nationalization of the foreign oil companies, but, rather, were interested in means to increase the government's income from oil operations. In terms of specifics, Ambassador Cochran informed the Department that the Minister of Economics had reportedly agreed to the economic section of Parliament forming a national committee to examine all matters affecting oil operations and to reconsider the mining laws, and that the Cabinet had agreed in principle. The Ambassador also reiterated the fact that the Indonesians were dissatisfied with existing arrangements exempting the oil companies from foreign exchange regulations. (856D.2553/6-2751)

After above reported visits I gave Butterworth benefit my conversations I did not think it feasible procure from Indonesian Govt at this time formal undertaking against possible nationalization. I saw urgent desirability however of having as complete understanding as possible with respect property rights present and future. I suggested Butterworth and his local representative Rowley get in touch with those officials of Sukiman govt with whom they ordinarily do business and let these officials know their concern in light world developments and various statements by Indonesian Cabinet members and parliamentarians. I asked they check again with me after they had seen what info they could obtain from these normal contacts and we could then consider desirability my soliciting instructions from Washington, or venturing exploratory approach some of my closest friends in govt.

Butterworth and Rowley⁶ called at my request evening thirteenth. I discussed Deptel 51 with them. Butterworth said that since our earlier conversation he had visited Economy Minister Sujono Hadinoto, Finance Minister Wibisono and Exchange Director Kuypers. He said Sujono strongly disavowed thought of nationalization petroleum industry. Said Wibisono likewise declared himself opponent nationalization oil industry but revealed consideration being given to possibility revising agreements with petroleum companies on utilization exchange proceeds from offshore sales. Said Kuypers also brought up subject revision "let alone" exchange agreements. Butterworth said he had not felt he shld go further in these conversations since Sujono was leaving Cabinet and cld not speak with authority and since Wibisono and Kuypers were on point raising exchange question in such manner Butterworth might be forced into definite statement which he unprepared give at present. Butterworth aware approach made to Dept by his associates in US and prefers make no further advances to Indonesian authorities pending advice from us. We reviewed situation.

My cables currently reporting my conversations with responsible Indonesian authorities and statement in press or Parliament have let Dept know question of handling Indonesian petroleum resources is live question particularly since nationalist trend of new state given additional impetus by stories from Iran and elsewhere. I have let it be known, however, that such dependable and sound authorities as Hatta and Djuanda assure me no nationalization presently envisaged beyond Java Bank and public utilities. They have indicated their realization it wld be folly for Indonesian Govt endeavor take over such extensive holding as those the foreign petroleum companies. They both realize Indonesia must continue look abroad for foreign

⁶ F. R. Rowley, General Representative for Caltex Pacific Oil Company in Indonesia.

capital to rehabilitate and develop Indonesia's economy. They both favor any new capital being utilized for additional much needed industries rather than taking over industries already functioning.

Embassy experience has been that to obtain any written assurances from Indonesian Govt is almost impossible. Seriously doubt whether Embassy or Caltex cld obtain any written guarantee from Indonesian Govt now which wld provide sound safeguard against nationalization or expropriation in future. Question wld exist as to how much worth such guarantee wld have if present or subsequent govt might enact legislation in contrary sense. Following Iran question from distance I note US recognizes right any govt control its own resources. How far we cld go at this point in requiring assurances from Indonesian Govt is doubtful.

Indonesian govt and Parliament have decided to set up special commission to look into petroleum resources. Several months ago Indonesian Govt took up with me question obtaining info on petroleum laws of foreign countries. At my suggestion arrangements for procurement of American expert thru White Engineers was favorably recd by Indonesians. White actively pursuing appointment outstanding authority whose application submitted by him to Indonesians and whose approval expected.

I feel appointment American expert to give objective advice on any revision Indonesian petroleum laws is one of best safeguards we can now suggest. Is general opinion of interested American and Indonesian officials that commission benefitting from expert American advice wld find existing arrangements now require payment by foreign companies of between 50 and 60 percent of their profits to Indonesian Govt. Consequently it is believed study and report by commission shld convince govt no drastic revision of petroleum law necessary and expropriation or nationalization shld not be considered.

To raise question of obtaining special guarantee or assurance from Indonesian Govt at this juncture by Caltex wld place Indonesian Govt in difficult position. To give assurance wld constitute prejudging findings official commission. If Caltex threatened hold up further development and investment until satisfactory special assurance recd, Indonesian Govt might interpret this as capitalist coercion and ground for nationalist move. Any story given to press thereon wld react against American interests. It wld be particularly unfortunate if such story shld reveal support by US Govt for such arrangement.

Most moderate Indonesian leaders now in authority. We are likely perpetuate their influence and receive most satisfactory cooperation possible from their side if we demonstrate patience with and confidence in them, at same time firmly protesting when any trend toward discrimination against or danger to American interests may appear.

I do not, therefore, recommend any official approach by US Govt to Indonesian Govt seeking special formal assurances for Caltex. Whether company may desire make approach on its own responsibility and let US Govt have record thereof, shld be for company to decide in light fullest info Dept and this Embassy can provide.

In view final para Deptel 51, I have not seen fit sound out any of my trusted friends in Indonesian Govt as to what likely reaction to American approach in sense suggested by Dept might be.

At RTC conference Hague 1949 I took every precaution then possible to have rights third countries protected in economic and financial field. If and when this agreement may be dissolved or amended by two parties thereto, we shld consider negotiating bilateral agreement with Indonesia to safeguard our rights vis-à-vis this country. I do not recommend instituting such negotiations until certain present international issues are better advanced toward solution and until Indonesian Govt is sufficiently firm and satisfactorily oriented toward US to offer good opportunity for agreement satisfactory to US.

I have today let Butterworth and Rowley know sense of my recommendation to Dept.⁷

COCHRAN

⁷The Department of State informed Ambassador Cochran on July 20, in telegram 89 to Djakarta that representatives of Caltex had been informed the day before of the contents of telegram 73 from Djakarta. The Caltex people concurred with the Ambassador's assessment that to approach the Indonesians at that time about guarantees against nationalization would not be productive. (856D.2553/7-1651)

400.56D9/7-1751 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, July 17, 1951—6 p. m.

77. I prefer not make approach to Indo Govt suggested Deptel 66, July 13.¹

Firstly, do not have enough info as to what is being accomplished in legislative and policy developments in Washington to know how to answer questions which might be posed to me with respect to revision Kem amendment and application any final measure.

Secondly, no publicity been given here to fact Indo actually included rubber unconditionally on UN embargo list. Press campaign against US which grew so bitter when both UN embargo and Kem amendment in limelight has subsided. I prefer not bring up matter

¹The Department of State, in telegram 66 to Djakarta, July 13, requested that Ambassador Cochran try to obtain a reply from the Indonesian Government to the three numbered questions put forth by Assistant Secretary Rusk to Dr. Thajeb on June 11, as described in telegram 1359 to Djakarta, June 12, p. 672. (400.56D9/7-1351)

now since decision not so pressing, considering 3 month study period under Kem amendment, and Indo Govt not pondering question insofar as I am aware.

Thirdly, Indo Govt and Parliament shld not be disturbed by this question while concentrating on draft Japanese peace treaty which is meeting considerable criticism.

Fourthly, I do not consider such approach as Dept suggests as best method achieving results with Indo if we seriously desire gain their solidarity with free World and stop their material assistance to Commie countries unfriendly to US and UN.

To accomplish result of getting Indo Govt put rubber on UN embargo list required strong reference to Kem legislation. This had much more effect than stressing obligation Indo as member UN. To approach Indo Govt now seeking their excuses for not complying with Kem or replace legislation likely give impression inconsistency our part in urging Indo observe UN embargo while not pressing for compliance with US domestic legislation. Furthermore Indos not likely understand why shld they be called upon in advance to help develop loopholes in legislation enacted by US Congress.

I believe our best results will continue to be achieved in Indo if we adhere to definitely firm and consistent policy of expecting Indo comply with UN precepts and to respect Amer position in World affairs. I feel this can be progressively accomplished working thru present govt. This coalition has as strong parliamentary support as any foreseeable govt can command. It is possible it may last for sometime if its composition can gradually be improved by filling vacancies and replacing certain weak members with stronger. If this govt does not succeed it may be followed by presidential cabinet which would be bitterly opposed by left with possible serious internal disorders or it might be followed by leftist coalition with Sjahrir and his socialists. It is present endeavor this latter group to draw army into their camp. My point is that we may be doing present govt and Indo great service by strengthening determination this govt to maintain moderate regime in Indo and to advance by single and slow steps toward bringing this new state into line with policies of friendly western countries. This does not mean that I am optimistic as to any immed breaking down of so-called "independent" policy.

Reference is made to Deptel 1379 reporting Sudarpo's call on Lacy. Sudarpo clearly intimated that it might be to Indo's political advantage to comply with certification requirements of Kem amendment. Irrespective of motives which might influence Indo toward such decision, I am confident that it wld also be to Indo's economic advantage to comply. This is on assumption US really intends achieve some enforcement of Kem amendment. If all or most of countries which

we have considered as sufficiently friendly or vital to our security interests to give financial and economic aid are exempt from application Kem amendment, then we shld not exact compliance from Indo.

Since sending mytel 1685, June 1 on consequences stopping all types economic and financial assistance to Indo, this country has witnessed decline in tin and rubber prices. Export-Import Bank projects for loan of \$52 million have been approved by Indo Parliament. ECA allocation for Indo for FY 1952 appears to be around \$8 million unless altered by Congress. For Indo now to fail to be able receive payment from Export-Import Bank on projects already approved and underway wld work serious hardship particularly considering extent to which decline in prices principal exports has upset budgetary calculations. Indo counting importantly upon remaining \$48 million under Export-Import Bank line of credit to assist with capital goods required for building up Indo economy. Approach has also been made with view to procuring consumption loan from US. I am not yet convinced latter will be necessary. At same time, cutting off Amer aid wld work more hardship that it wld have caused in circumstances obtaining as of June 1.

Without approaching Indo Govt I offer fol brief analysis of situation with respect Indo trade with Commie countries:

As of April 30, 1951, Indo had recd from Czechoslovakia, Poland and Hungary under annual trade agreement contingents deliveries of goods valued at rupiahs 24.5 million out of overall contingents totaling rupiahs 30.8 million. Agreement with Poland expired April 1, agreement with Hungary June 1 and agreement with Czechoslovakia will expire Aug 1. New agreement recently concluded with Poland but no details available. While other agreements apparently not renegotiated, it is generally customary for agreements to continue in force for second year pending renegotiation.

No detailed info re Indo's annual deliveries (exports) to these countries available. Trade agreement contingents visualize shipment (to three countries combined) of fol strategic commodities: 5550 metric tons rubber, 100 tons sole crepe rubber, 3200 tons tin (in ore) and 5000 tons copra.

All products imported from satellites, with possible unimportant exceptions, can normally be obtained from Allied bloc. Conversely, Indo can easily market to Allied bloc quantities of strategic commodities earmarked for satellites. Abrogation of trade agreements, or refusal to renegotiate lapsed agreements, cld be accomplished by Indo without major dislocation of trade and without adverse effect on Indo economy. Trade agreement problems therefore do not appear of sufficient magnitude to prevent Indo compliance with requirements of Kem amendment nor to warrant our seeking specific exemptions for Indo from application Kem amendment.

On other hand, Indo adherence to UN embargo was facilitated by Indo Govt's ability utilize as talking point its membership in UN and its intent to abide by majority decision reached according to demo-

cratic processes. Compliance with unilaterally imposed Kem amendment will be more embarrassing from point of view of domestic political considerations, but Indo Govt did stress consistency with purposes UN embargo.

In this connection however, Indos have at hand powerful economic argument in above-mentioned fact that Export-Import Bank loan agreement of \$52 million (with possible additional 48 million) and ECA assistance of \$8 million in FY '51 (with contemplated additional 8 million in FY '52) far exceed annual value of import contingents of present trade agreements with satellites. Latter total annually slightly less than \$10 million. There is no known trade with USSR or North Korea. 1950 level of imports from China was rupiahs 12 million.

Any arguments presented by Indos defending inability make certifications required by Kem amendment should be closely scrutinized in light of above info. Latter, while incomplete, is indicative of relative insignificance of Indo-Soviet bloc trade.

COCHRAN

756D.5-MAP/7-2551: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, July 25, 1951—noon.

127. Deptel 97, July 21.¹ Evening twenty-fourth discussed with Vice Pres Hatta question publishing and registering with UN Indo MDAP agreement which I negotiated with Hatta. I pointed out only limited comment had been aroused Indo by statement Pres Truman June 25 reporting MDAP in Far East including summary aid given Indo police constabulary. Hatta agreeable to Dept's request on understanding I would also consult SYG Darmasetiawan of FonOff who was familiar with negotiation agreement and now in responsible position to pass on question at issue.

Saw Darmasetiawan last night. He said FonOff agreeable initiation UN registration and publishing agreement. He feared, however, that publishing agreement by itself might attract too much attention and arouse leftist criticism within Indo just at this time when govt already facing many problems with Parliament. He hoped therefore the publicity on Indo could be tied up with story of assistance to Far East as whole. Dept consequently now has Indo approval to request contained Deptel 97 but I feel consideration should be given to avoiding more publicity than strictly necessary.

COCHRAN

¹ In telegram 97 to Djakarta, July 21, the Department of State asked Ambassador Cochran if he thought it propitious to approach the Indonesian Government about the publication of the MDAP accord negotiated in August, 1950 (756D.5-MAP/3-2051).

656.56D/7-2651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, July 26, 1951—2 p. m.

141. Supomo, ex-Justice Min, visited me the 25th. Said Indo Govt had thru acting HC Hague ¹ requested Neth Govt receive Supomo early August for discussion approach to reconsideration RTC agreement. Supomo heads Indo commission established to review RTC. Report presented to Parliament some weeks ago has not been published. Supomo with rank of envoy will be accompanied by perhaps 2 assistants and secy. He anticipates spending about 6 weeks in Neth.

Supomo was official responsible from Indo side for drafting union statute at RTC. He regrets necessity seek revision RTC agreement. He attributes this principally as psychological distaste of Indos for union particularly in light unfortunate developments such as Westerling affair, Macassar and Ambon.² He hopes Neth Govt will be agreeable to substitution for RTC agreement of bilateral treaty between Neth and Indo. He will seek elimination unnecessary restrictions embodied in present agreement and endeavor get what he terms "businesslike" arrangement.

Supomo feels report of his comite has been moderate in tone and that approach he is now to make to Neth Govt shld not be offensive if Neth can reconcile itself to giving up union. Supomo convinced Indo will not continue as party to union. He and other leaders desire however to have any alteration of present arrangement achieved thru properly negotiated bilateral agreement. Since union conf is one of instruments of RTC agreement and union, Indos will request that conf to be held for consideration revision RTC be special conf and not union conf. Indos not particular where conf may be held.

Supomo anticipates sounding out Neth authorities on question Neth NG, he realizing serious problem between 2 countries will still remain even after negotiation bilateral treaty in place present arrangement unless solution for NG question found. Supomo will adhere to position taken by Natsir Govt, namely that Indo will discuss arrangements for sharing admin and development NG if Neth will admit sovereignty thereover is to pass to Indos. He said once sovereignty conceded, Indos wld be willing make most generous arrangements with Neth for partnership admin and development, including granting Neth subjects national rights of Indos. Supomo has no illusions about difficulty of this part his mission, complicated further by Australian attitude, but feels NG must inevitably pass to Indo and sooner this recognized by

¹ Dr. Djumhana, Indonesia's Acting High Commissioner in the Netherlands.

² For documentation regarding these affairs, see *Foreign Relations*, 1950, vol. VI, pp. 990 ff.

Neth sooner happy relations can be achieved on basis that will permit perpetuation.

I suggested Supomo keep in close contact with our common friend Lisle³ at Amer Emb Hague.⁴

Dept pass The Hague; sent Dept 141; rptd info The Hague 3.

COCHRAN

³ Raymond E. Lisle, Second Secretary, American Embassy in the Netherlands.

⁴ In telegram 198 from Djakarta, August 7, Ambassador Cochran informed the Department of State that Professor Supomo, accompanied by Dr. Zain, planned to depart Djakarta for The Hague on August 14, to prepare the way for the special Netherlands-Indonesia conference to reconsider the RTC agreement (656.56D/8-751).

856D.10/7-3051: Telegram

The Secretary of State to the Embassy in Indonesia

RESTRICTED

WASHINGTON, July 30, 1951—1 p. m.

120. Eximbank July 26 auth allocation \$1,550,000 to assist financing purchase and transportation to Indonesia US equipment materials in connection Indo Govt forest development program. About \$979,000 for four sawmills with necessary rail lines, power plants and work shops and \$557,000 for modernization of logging and log transport by truck and trailer.

ACHESON

856D.131/8-751: Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, August 7, 1951—6 p. m.

170. Embtel 190, Aug 6.¹ US wld not agree upward price revision even if failure to agree led Indo cancel contract. Dept not yet approached by Indo or other country. Thai Amb has appointment Aug 8 discuss with Dept price provisions proposed contract but exact purpose his visit not known. Proposed Thai contract provides for sales to US at world market price.

Fol statistics afford background possible discussion with Indos points raised reftel. World exports natural rubber totalled 1,166,266

¹ In telegram 190 from Djakarta, August 6, Ambassador Cochran reported that the new Minister of Trade and Industry, Mr. Wilopo of the PNI, had told him on August 4 that he wanted to discuss soon an amendment to the United States-Indonesia rubber purchase agreement. Ambassador Cochran was uncertain as to the contents of this amendment, although he had been confidentially informed that the Indonesians were seeking an upward revision of prices. To be certain of the Department of State position, however, he wanted guidance in this matter. (890.2395/8-651)

long tons 1937; 1,232,500 in 1947; 1,765,000 in 1950. Bulg, Czech, Pol, USSR, Hung, Rum, Chi, Hong Kong imported 62,085; 86,251; and 188,554 of which Chi and HK 6,534; 31,457; 70,204 same years. US imported 592,528; 684,253; 795,502.

Fol facts and line emerge these figs:

1. Sovbloc took 5 percent world exports prewar; 7 percent 1947; 11 percent 1950. Increased take assists warlike preparations bloc and believed not result expanding peaceful economy. Helped create chaotic 1950 rubber market. To extent Brit actions in stopping shipments to Chi and limiting shipments to other Sov countries influenced world market effect was to restore normality which in longterm interest all countries.

2. Together Chi and Hong Kong took only 4 percent world exports in 1950. Thus there is no justification for Indo claim embargo destroyed free Singapore market. Complete elimination Sovbloc take wld leave 90 percent world market untouched.

3. Chi take too small for its elimination to destroy freedom Singapore market but large enough for its elimination to cause sensitive market to react in absence compensatory demand by other countries. Since US buys about half world's rubber it can not disclaim all responsibility for failure such demand to materialize. On other hand US cannot undertake unilaterally to underwrite world market. At Rome conference consuming countries including US offered stabilizing program which producing countries including Indo rejected.

4. US repeatedly has told Indos that in long run price of natural rubber must approximate price synthetic or natural will lose its market. Therefore US regards recent downward movement natural rubber prices as necessary and no ground for revising US Indo contract.²

ACHESON

² On August 9, in telegram 176 to Djakarta, the Department of State amplified its instructions to Ambassador Cochran contained in telegram 170 to Djakarta. In the later cable, the Ambassador was told that if the Indonesians officially approached him regarding the revision or cancellation of the rubber contract, he was to express surprise that the Indonesian Government was "quibbling about fulfilling contractual obligations." (856D.2395/8-951)

856D.131/8-1351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, August 13, 1951—1 p. m.

242. Since submission Embtel 190 Aug 6 ¹ have not been approached orally by Indo officials and so have not used arguments contained Deptel 170 or expressed surprise as suggested Deptel 176.² Have now received, however, fol letter dated 8th from Econ Min Wilopo to which I

¹ Not printed; see footnote 1, p. 695.

² Not printed; see footnote 2, *supra*.

will make no reply pending opportunity Dept instruct me specifically (*begin verbatim text*) :

“Connection with conversation some days ago during which rubber contract was discussed, which was closed between US (Gen Wilson) and Indo in Apr this year, I would kindly like to bring to your notice fol in respect thereof. Copy of referred to contract attached hereto for completeness sake.

“During time negots were held Djakarta rubber trade was entirely free so that rubber would be sold freely to all countries in world.

“On this basis of free market system contract was concluded consequently.

“Approx same time export license system was introduced in London and Singapore, closely followed by embargo towards Chi.

“Indo Govt kept ignorant of fact that such like system was being prepared to be introduced.

“If Indo Govt had been informed thereof beforehand, fixing of price wld naturally have taken place on different basis.

“If during time of negots in respect of subject contract US Govt had not been in position as to inform Indo Govt of far reaching measures, which were announced few days after closing of oral discussions in respect of referred to contract, it wld appear desirable to my govt if further reconsideration of conditions under which contract has been concluded, cld be realized.

“Goes without saying that question of delivery of quantity of 1200 tons per month has no interference whatsoever with objections mentioned above. Delivery thereof will be carried out with pleasure.

“I would like very much however to discuss a further consideration concerning: (a) Price to be fixed, (b) Quality of rubber, and (c) *Force-majeure* clause, in respect whereof fol explanation may be added.

“a. Re price fixing, price for first four months based on average Singapore price of present month of August.

“I would prefer new basic point to be decided at 70 cents US per pound for sheets number one.

“If monthly discount is fixed at 1½ cents US, average price during 18 months cld amount to 56½ cents US, which price cld be accepted as floor price during contract period.

“In event rubber price might arrive at level higher than this floor price, then ruling market price shld be taken.

“For calculation of average rubber price, method of present contract is preferred to be followed.

“b. Re concluded delivery of 1200 tons estate rubber, I wld be prepared eventually to modify this delivery on above stated basis in one of 1200 tons sheet number I, II and III, same under guarantee of my govt.

“Possibility of claims, which is inevitable by forwarded delivery of lower grades, is then prevented.

“c. As no *force-majeure* clause has been taken up in subject contract so far, arrangement to that effect shld be left possible.

“In connection thereof I wld like suggest fol *force-majeure* clause be added to contract to appear as proposed article 9 :

- "a. Shld one of contractors be prevented from performing under this contract by reason of unforeseeable causes beyond its control and without its fault or negligence, including but not restricted to acts of public enemy, acts of one of contractors or a foreign govt, fires, floods, epidemics, quarantine restrictions, strikes, lockouts, combinations of workmen, freight embargoes and unusually severe weather, or if any of contractors places of business become inoperative due to conditions beyond control of Indo Govt and such cause continues for period of 12 months, any undelivered portion of this contract shall be automatically cancelled without cost to either party; shld such cause continue for a period of less than 12 months, any undelivered portion of this contract shall be shipped as soon from date such cause ceases to operate.
- "b. Unless the one contractor shall furnish the other and with written notice of nature and extent of any *force-majeure* condition referred to in para (a) above which is claimed to exist, will in reasonable time after happening thereof, terms and conditions of said para (a) shall not become operative with respect thereto.

"I will appreciate it very much if you would inform me of your views concerning above in due course." (*End verbatim text.*)

With ref Deptel 172 ³ have not been able discover whether press article on US-Indo rubber contract had been planted by Indo Govt. Believe preferable not disclose contract to UK Govt before settling present difference with Indos.

COCHRAN

³ Not printed.

856D.501/8-751 : Telegram

The Secretary of State to the Embassy in Indonesia

TOP SECRET

WASHINGTON, August 18, 1951—6 p. m.

194. Eyes only Cochran. Embtel 201 Aug 7.¹ Dept and CAS Hdqrs agree entirely ur approach Sukanto ² and plan follow ur recommendation that sixth grp be accommodated. You shld inform Sukanto that sched training difficult this time of year due vacations so there will be slightly longer delay than usual between sessions fifth and

¹ In telegram 201 from Djakarta, August 7, Ambassador Cochran reported that he and the police chief the previous day had discussed the police trainee program. Sukanto hoped that the program would be continued in 1952, but indicated that he hoped the emphasis would be on specialization rather than group courses. The Ambassador replied that the United States would not consider this unless a specific memorandum was submitted presenting this proposal. The Ambassador recommended that the impending group of policemen be sent to the United States for training, but that no commitment be made beyond that for the present. (856D.501/8-751)

² Sukanto Tjokrodiatmodjo, Chief of the Indonesian State Police.

sixth grps. Latter shld plan leave Djakarta Oct 4 and name and biog data shld be in Wash no later than Sept 15.

Dept and CAS Hdqrs concur there shld be no discussion with nor commitment Sukanto re future program until memo presenting his proposal submitted for study Wash. In any event Craig, who has been informally invited on behalf Sukanto visit Indo, not available for visit and will so inform Indos. In all probability Sukanto's ideas on specialization involve intell rather than police training. Dept and CAS Hdqrs may wish have this matter handled by ur CAS directly with his Hdqrs and Sukanto but will defer decision pending receipt latter's memo.

ACHESON

856D.2395/8-1351 : Telegram

The Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, August 23, 1951—6 p. m.

247. Embtel 242, Aug 13. Deptel 170, Aug 7, refutes Indo claims re freedom rubber markets, and you may wish fully discuss with Indos points covered therein.

At Rome rubber conf Indos charged US UK collusion in instituting rubber export controls. Latter countries formally denied charge, stating US had no advance knowledge Brit intentions. In view this previous denial Emb may wish express surprise at continued innuendos in letter hinting bad faith US negotiators.

Dept interprets eighth para letter beginning "goes without" as meaning Indo intends perform on contract whether or not US agrees suggested changes. If this interpretation correct, Emb may wish express gratification instead of surprise suggested Deptel 176, Aug. 9.¹

Emb shld make clear US entered contract without inside info or mental reservations, will carry out its half of bargain and expects similar performance by Indo. With suitable palaver Emb may add that altho US rejects any implication of obligation to renegotiate US always sympathetic to plea of friend that feels itself injured. For this reason and being conscious its dominant position rubber market US willing make reasonable modifications to contract.

Emb authorized discuss renegotiation along fol lines :

1. Anything above market price completely unacceptable. Seventy cent price or even floor 56½ cents if this is what Indos mean is fantastic since price today approximates fifty cents.

2. US willing abandon four months pricing formula specified in contract and substitute formula based on average price prevailing during calendar month preceding shipment as determined from Singapore Chamber of Commerce daily quotations.

¹ Not printed ; see footnote 2, p. 696.

3. GSA prefers price based on quotation for shipment within 30 days. Published quotation most nearly mtg this definition known to trade as "nearest month of shipment". Willing accept price based on quotation known to trade as "prompt shipment" (meaning price for shipment within 15 days) less 3 percent as in present contract. Willing as last resort abandon 3 percent discount and use full prompt shipment quotation if necessary prevent cancellation contract. Not willing base contract on spot price.

4. As you likely aware, Deptel 415, Bangkok, Aug 17, rptd Djakarta US contract with Thais has been made public.² We are willing consider with Indos same price i.e. which rubber commands in world market; but do not believe this wld be to Indo advantage since US interpretation of world market is lowest Singapore, London or Amsterdam.

5. US willing add *force majeure* clause suggested by Indo with fol changes which Dept will explain if requested by Emb: (a) Substitute "contracting parties" for "contractors" (b) Delete "unforeseeable" (c) After "acts of" insert "God or" (d) Delete "one of contractors or" (e) After "for Govt" insert "civil strife or disorder" (f) Delete "or if any of contractors places of business become inoperative due to conditions beyond control of Indo Govt" (g) After "as soon" insert "thereafter as circumstances permit but in no event later than six months" (h) Substitute "contracting party" for "contractor".

6. GSA welcomes Indo willingness modify contract specify delivery sheets I, II, III but not willing adopt Indo pricing formula to obtain these grades. If Emb finds it necessary base revised contract on full prompt shipment quotation without present 3 percent discount it shld attempt obtain Indo agreement deliver sheets I, II, III in return for US agreement forego discount.

If Indos receptive any these suggestions Emb may renegotiate contract subject approval Dept and GSA. Questions re Singapore Chamber of Commerce quotations or trade terminology cld be discussed with Djakarta Rubber Trade Assoc or referred Wash or ConGen Singapore. Present intention not send negotiator from Wash. Emb's views requested.

ACHESON

² Not here printed; see footnote 2, p. 1629.

S56D.501/9-1351: Telegram

The Secretary of State to the Embassy in Indonesia

TOP SECRET

WASHINGTON, September 13, 1951—2 p. m.

317. Eyes only Cochran. Dept unable approve project further training Indo police as submitted Soekanto's memo Aug 15 (ur ltr Aug 17).¹

¹ Neither printed; Ambassador Cochran sent Police Chief Sukanto's memorandum with an accompanying letter to Mr. Lacy on August 17. Both documents can be found in the Djakarta Embassy File: Lot 55 F 17, Box 31, and the remaining footnotes to this cable refer to the Police Chief's memorandum.

Proposal so vague Dept feels difficulties experienced prev groups wld be intensified unless there cld be more specific indication what is required. Item *c* his memo² requests accreditation his officers police org but does not sugg for what purpose, whether traffic control, finger-printing, communications, files and records; past groups have been almost unanimous claiming police training this kind not effective either because Indos already have experience these matters or because conditions Indo so different lessons inapplicable. Additionally Dept anticipates great difficulty persuading any police org accept Indo trainees who do not have sufficient grasp language, whose attitude, in light past experience, cld be expected be not completely cooperative, and who might thus seriously hamper regular work of org.

Items *e*, *f*, *g*, *h*³ not clear since there has been no confinement or restriction trainees except during three or four days highly classified training. Difficulty reconciling complete freedom of movement for trainees with concentration in short time of greatest amount specialized training, requiring much travel and intricate coordination several training efforts, is obvious.

Items *e*, *f*, *g*, *h* in fact tend confirm suspicion arising here out of experience first five groups and based upon attitudes, behavior, and in some cases admissions of trainees that latter much more interested coming US for free ride than for professional police training. (Note-worthy exception: four members fourth group trainees incl leader.) While this aim, implying as it does desire for familiarization US and its customs, habits, etc. undoubtedly worthy, Dept inclined believe proper vehicle for its achievement not police training program which is expensive and involves large expenditures time and effort by several US law enforcement, military and other orgs.

Item *d*⁴ Soekanto's memo appears have merit and it is possible interested agency may be able arrange training this kind for smaller number selected, carefully screened individuals after Jan 1. This of course not Dept State responsibility but Dept forwarding request proper part US Govt.

² In item *c*, the Police Chief proposed that of the six groups of policemen to be sent to the United States in 1952, three of the groups should be accredited to some recognized regular police organization.

³ In item *e*, the request was made that the trainees should be allowed more contact with the American public and should not be confined to restricted areas; in item *f*, the thought was advanced that these officers could gain as much from more personal contact as they could from their actual training programs; in item *g*, Police Chief Sukanto declared that if these men were accredited to regular police departments, they would be afforded the chance to get a daily taste of actual police methods as well as seeing the off-duty social life of the average American officer; in item *h*, it was recognized that more isolation was necessary for those engaged in security and intelligence training, but that the existing restrictions were also too great.

⁴ In item *d*, the Police Chief suggested that three of the annual groups of officers should be assigned to various national level agency instructors for training in internal security and intelligence operations.

Re Craig other commitments make impossible his visit despite his desire accept invitation.

In ur discretion you may communicate substance all or part foregoing Soekanto.

Other Agency concurs this tel. Reply to "R only."

ACHESON

460.509/9-2051 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, September 20, 1951—noon.

353. Embtel 425 Sept 14¹ statement Czech Govt to send Del to Indo Sept to sign one year trade agreement. Dept assumes proposed agreement wld follow usual pattern Indo bilateral trade agreements which provide not for reciprocal exports guarantees but rather for reciprocal assurances each govt will "place no obstacle in way of" exportation of listed commodities.

Indo-Czech one year agreement which expired Aug 1, 1951, listed Indo exports theoretically equivalent to \$2.9 million including 1,550 tons rubber and 800 tons tin. Actual Indo exports to Czech calendar year 1950 included 550 tons tin, no rubber. Same agreement lists Czech exports equivalent \$2.3 million, chiefly malt, writing paper, textile and metal working machinery, procelainware and windowglass. Actual Czech exports 1950 totaled about \$1.7 million. (Dept notes Japan is possible alternative source supply many these items.)

In light current status US-Czech relations, conclusion of new and larger Indo-Czech trade agreement might cause possibly disproportionate harm US-Indo relations.

NSC Determination 13 (airpouched Sept 17) granting Indo exception Kem Amendment (Deptel 335 Sept 17)² directs its East-West Trade Comite "to continue seek additional measures, consistent with over-all US natl security interests, toward preventing flow strategic commodities directly or indirectly from Indo to Sov bloc with view to making appropriate recommendations to NSC".

Accordingly Dept wld hope that in any new Indo-Czech agreement Indo wld be able term export strategic commodities. FYI if trade is contd these items, US in light legislative requirements and NSC Determination wld have to satisfy itself from standpoint US over-all security interests volume these strategic exports to Sov bloc is outweighed by advantages gain by Indo economy as result of important

¹ In telegram 425 from Djakarta, September 14, Ambassador Cochran informed the Department of State that the Government of Czechoslovakia was planning to send a delegation to Indonesia sometime in September to sign a one-year trade agreement (756D.00(W)/9-1451).

² Neither printed.

critical commodities recd in exchange. This latter standard substantially same as that which US applying to other friendly countries, including UK, re their respective trade with Sov bloc.

Dept confident you are taking all appropriate steps toward above objectives and in this connection have considered any feasible use provisions Hatta secret oral declaration (Embtel 226 Aug 18[16], 1950³) supplementing US-Indo mil agreement. Dept keenly aware, however, above objectives very difficult for you to pursue, especially in view possible Indo reaction to pending Ceylonese shipment 5,000 tons rubber to Commie Chi above world price, and in view delicacy Indo polit situation caused by pending Indo ratification Jap Peace Treaty.

WEBB

³ For text, see *Foreign Relations*, 1950, vol. vi, p. 1051.

460.509/9-2151 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, September 21, 1951—6 p. m.

361. Fol in amplification first sentence Deptel 336 Sep 17¹ "NSC exception for Indo under Kem Amendment valid without further renewal until Dec 30". Admin required submit Congress each quarter a review all exceptions made previously. Exception granted Indo Sep 13 must be reviewed sometime during next quarter ending Dec 30 and decision made whether continue exception.

Battle Bill in Cong conference to resolve differences in House and Senate versions.²

WEBB

¹ Not printed.

² The reference is to the Mutual Defense Assistance Control Act, which became law on October 26, as Public Law 213. The text is printed in 65 Stat. 644.

Djakarta Embassy File : Lot 55 F 17, Box 31

The Ambassador in Indonesia (Cochran) to the Director, Office of Philippine and Southeast Asian Affairs (Lacy)

TOP SECRET

EYES ONLY

DJAKARTA, September 25, 1950.

DEAR BILL: Reference is made to my cablegram No. 442, dated September 18,¹ in which I reported that I had talked frankly with General Sukanto, Chief of the Indonesian National Police, along the lines indicated in the Department's cablegram No. 317. I recalled to him

¹ Not printed.

certain disappointments and difficulties experienced with trainee groups which the Indonesian police had sent to the United States in the past. I took strong exception to the Indonesian idea that such trainees were being unduly restricted. I stressed the seriousness of the situation in the United States, with our Government concentrating on problems pertinent to the defense of our country and to cooperation with our allies. I said that if the Indonesian Government desired to take advantage of the expert and costly training which we have to date seen fit to grant, the Indonesian Government should assume the responsibility for selecting first-class candidates, with demonstrated ability, sufficiently serious-minded to devote full attention to the technical courses which are to be given them, and with a minimum of thought to extra-curricular activities. I said that we did hope that all trainees in the past had acquired happy impressions of the United States, and in the natural course of their training had benefited from contact with our people. It was certainly not our thought to be unduly severe, but we could not countenance further petty complaints on the part of trainees, or cater to whims or extravagant ideas.

On the other hand, I recalled to General Sukanto that it had been my good fortune to be with the Republic in Jogjakarta in 1948 when plans were being formulated for equipping and training the mobile constabulary of the Government of Indonesia-to-be. It had been a pleasure for me thenceforth to cooperate with Vice President Hatta and General Sukanto toward the end of procuring equipment as well as expert training. I felt that we had made the proper choice in supporting the mobile constabulary. I was willing to recommend further training, provided the Indonesian Government genuinely desired it and General Sukanto would meet our terms with respect to character and mental attitude of trainees, and would be quite specific in setting forth the type of training actually sought. I requested General Sukanto particularly to expand that part of his letter of August 15, covered by Point *d*.²

I have now received from General Sukanto a letter dated September 24, whereof two copies are attached,³ in which more detailed information is provided, with respect to both paragraphs *c* and *d* of the original communication of August 15.⁴ It will be noted further that

² See footnote 4, p. 701.

³ Not printed; Police Chief Sukanto recommended that a certain percentage of the trainees get specialized training in criminalistics, and a certain percentage get a concentrated course in internal security and intelligence techniques. General Sukanto also proposed that the program continue so that those sent to the United States could train their colleagues after returning to Indonesia, and that foreign experts come to Indonesia to assist in the training of the National Police. (Djakarta Embassy File: Lot 55 F 17, Box 31)

⁴ See footnotes 2 and 4, p. 701.

General Sukanto intimates that effort will be made to utilize trainees who have had the benefit of instruction in the United States for teaching more Indonesians upon their return to this country. Additionally, General Sukanto hopes to be in a position to request the sending of foreign experts and advisors to Indonesia, once the question of salaries and allowances for such experts and advisors can be more favorably resolved by the Indonesian Government. General Sukanto indicated to me orally the acute needs currently for experts and advisors in radio, telegraphy, and coast surveillance in connection with illegal entry and exit of persons and things. General Sukanto will communicate with us further on this subject if and when he is able to offer attractive compensation and living arrangements.

While the cooperation we have obtained from the Indonesian officials, including the civil police, has not been as generous as we might have expected in the past, I am of the opinion that improved results can be anticipated in the future, as the Government and its various security agencies become better organized and surer of themselves. I have been gratified at the vigorous measures that have been taken recently by the Indonesian Government, and particularly its security forces, to apprehend dissident elements, most specially communist groups and leaders. I believe this is an appropriate time to give new encouragement to the Government of Indonesia, and know of no more concrete manner or medium than further extension of training courses for Indonesian civil police.

Faithfully yours,

H. MERLE COCHRAN

460.509/9-2651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, September 26, 1951—2 p. m.

471. Ref Deptels 361, 353,¹ 336 and 335.² Dept correct assuming (Deptel 353) one year Indo trade agreement with Czech Govt is general type providing reciprocal assurances each govt will not obstruct and will endeavor facilitate export and import of listed commodities in quantities mentioned in agreement.

Indo negotiator Asmaun³ unwilling reveal to Emb anything about pending new agreement except it not yet signed. Neth Commercial Counselor Cator⁴ understands proposed agreement will provide for vital trade between two countries in about Neth guilders 50 million per year, roughly Neth guilders 25 million each way, although possibly

¹ Dated September 21 and September 20, respectively (pp. 703 and 702).

² Neither Deptel 336 nor Deptel 335 is printed.

³ Dr. Asmaun, Assistant in charge of the International Relations Division, Ministry of Trade and Industry.

⁴ Dr. W. J. Cator.

higher level Indo exports than imports. Some question as to method financing, Indos appearing committee to utilize clearing account in Neth, Czechs apparently preferring deal at banking connection, although not known in what currency—sterling, dollars or Swiss francs—settlement would be made. Cator also states Czechs have asked for 1500 tons tin, Indos initially offered 250 tons, possible compromise of 400 tons may be evolved. Rubber commitment, if any, not known. In general level of trade [garbled group] proposed new agreement is roughly same as under one-year agreement expired Aug 1, 1951. Under latter Indos issued import licenses for Czech goods [garbled group] at about rupiahs 24 million through July this year. Particulars about goods for which licenses issued available and can be translated and submitted to Dept if latter so instructs. Data regarding level Indo exports to Czechs under expired agreement not, however, available. Only source left info this type available Emb is visible trade statistics and these not always satisfactory since many exports are listed as shipped to Neth “further destination unknown.” Dept may have access to published Czech import statistics.

I share Dept's unhappiness over shipment Indo strategic materials to Soviet bloc and at appropriate moment might point out to FonOff: (1) That US in granting Indo exception to Kem Amendment gave evidence its appreciation Indo adherence to UN embargo, (2) that US continues, however, be concerned over Indo trade with Eur Sov satellites, which while relatively small in terms Indo total trade represents substantial gain to satellites, (3) that US, while not completely informed of content Indo-Soviet satellite trade, is of opinion that trade is more valuable to satellites than to Indo, especially since many exports from satellites obtainable [garbled group] Japan and elsewhere, (4) that US wishes emphasize importance it attributes to termination Indo exports of strategic commodities to Eur satellites, and (5) that Indo statement regarding its intent with respect such trade is required under terms new or contemplated US legislation and may weigh heavily in deciding whether US able justify continuing embargo financial aid to Indo.

I do not, however, believe useful purpose can be served by divulging substance of above to Indos at this time, which Dept recognizes as not propitious. I prefer await passage Battle bill or relate new legislation, which wld provide convenient hook on which to hang above argument. I would wish avoid appearance US inconsistency in bringing up above subject immediately after Indo granted exception to Kem Amendment by US which at time exception granted was aware of existence trade agreements with Soviet satellites. I finally wish post-

pone approach until results Jap treaty discussions and possible repercussions Ceylonese rubber shipments are crystallized.

I do not believe US warranted in making Czech trade agreement final point its eventual appeal to Indos. Indos have already concluded new trade agreements with Hungary and Poland, former effective June 1951 through May 1952, latter July 1951 through June 1952. Indo export contingents these agreements unknown, but Indo import contingents Hungary valued about rupiahs 8.7 million, [garbled group] rupiahs 12.7 million. I believe approach Indo shld be based all trade agreements with Eur Soviet satellites, that singling out Czech agreement illogical and tends introduce polit issue, obscuring basic and generalized econ warfare motivation for US action.

Regret announcement Indo exception under Kem Amendment came when it did. If we are not willing use full force our public legislation to oblige Indo refrain from shipping strategic materials to Soviet bloc, I feel I shld not fall back on secret oral undertaking made in exceptional circumstances on his own responsibility by Hatta as PriMin and Acting FonMin. This undertaking was requested to enable US deliver Indo civil constabulary equipment which US anxious get into Indo hands and which police have used and are using effectively against Commie and other dissident group. Now to reveal Hatta's commitment wld risk serious damage to his standing, just at time he is working diligently along lines desired by US and is most likely to be next PriMin if Sukiman shld fall as result his favoring US on Jap treaty or for other reason.

It is additionally unfortunate that press stories came out during Subardjo's visit US that ECA might consider credit to Indo, reported as 50 million dollars in some accounts and 150 million in other.

Indo press has tended interpret US softening on Kem Amendment and handing out prospective new loan to Indo as price for Subardjo's signing Jap Peace Treaty ⁵ and does not approve such "prostitution". I am strongly of opinion, and believe Ex-Im Bank representatives who recently visited Indo wld agree with me, that Indo needs no additional new US credit or grant, either 50 or 150 million dollars, at this time. Furthermore I reaffirming my belief expressed throughout our negots on UN embargo and set forth whenever my opinion was solicited on Kem Amendment (particularly Embtel 77 ⁶) that our policy with Indos on their export trade with Sov bloc will more likely command respect and achieve successful results if severe rather than weak or even compromising.

COCHRAN

⁵ For documentation, see pp. 777 ff.

⁶ Dated July 17, p. 690.

460.509/9-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, September 28, 1951—3 p. m.

493. Darmasetiawan asked me yesterday evening about status Indo under Kem Amendment. I had sent FonOff note Sept 18 to effect Indo granted exception under Kem Amendment and had enclosed therewith copy Kem Amendment. I explained Darmasetiawan orally this exception valid until December 30 unless Battle bill or other legislation may become effective before that date.

I told Darmasetiawan I had refrained from bringing up question Indo position under US legislation pertinent to exports *ad* Soviet bloc until question Jap peace treaty ratification clarified. I had hoped final American legislation might be enacted meantime. I felt, now that Darmasetiawan had raised subj, I shld let him know US concern over Indo presently being in negot with Czech for extension trade agreement which might include export Indo tin and other strategic materials. I said it was this type trade agreement US wld undoubtedly have to look into under whatever legis is in force. I said any story emanating from Djakarta just now in regard to Czech receiving strategic materials from this country might have unfortunate repercussions in US.

In answer Darmasetiawan's query, I said I wld be ready discuss Kem Amendment and related matters with him and Palar at his pleasure. It wld be my intention follow general lines set forth numbered points third para Embtel 471. I would of course make strongest effort eliminate all Indo export strategic materials to Commie countries.

COCHRAN

460.509/9-2851 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, September 29, 1951—3 p. m.

406. Dept concurs ur position plans re discussion Indo Govt Indo trade Sov bloc, Embtels 471, Sept 26 and 493, Sept 28; with necessary exception, however, pt 5 para 3 former tel, since, although statement of intent wld be useful, it technically not known to be required under new legislation.

At ur discretion: 1) Continue disabuse Indos of any belief that NSC exception their favor under Kem amendment represents weak or compromising policy, since exception may be revoked at any time NSC determines warranted (para 4, Deptel 353, Sept 20); 2) Since Indos aware other countries friendly US continuing ship strategic materials Sov block, utilize substance penultimate para Deptel 353.

WEBB

656.56D/10-151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, October 1, 1951—6 p. m.

508. Supomo at lunch today recounted experiences Hague on preliminary discussion revision RTC. He said PriMin Drees¹ unwilling admit possibility his govt agreeing to abrogation RTC prior elections June 1952 unless acceptable substitute agreement reached in advance elections. Even then Drees wld prefer postpone negots until after elections. Supomo said Catholic leader Romns² agreeable to immediate negots. Decision reached that Neth and Indo Govts shld each appoint small comite to draft working papers on replace agreement. Said Comites will meet in Paris in Nov at time UNGA and pursue their joint deliberations there and/or Hague.

Supomo expects head Indo comite with few econ and legal advisors. Thinks Blom³ and Goetzen⁴ will be principal Neth Comitemen. Supomo said he hoped negots cld be expedited. Drees had countered that absolutely impossible have any plenary conf in 1951. Supomo regretted Dec might pass again without Irian question being resolved. Neth officials inquired whether Indos wld still make trouble for Neth on Irian if Neth gave acceptable agreement on RTC. Supomo said Indo claim on Irian wld still remain and while Indo Govt wld not itself resort to coercive tactics there was always possibility Indo people might demonstrate their unhappiness. Supomo emphasized necessity solving both Irian and RTC questions. He said US cld be most helpful if it wld oppose any delaying tactics on part Neth Govt in negots on RTC. Supomo also hoped some constructive support on part US for Indo claim to Irian wld follow Subardjo's visit to US.

When Supomo asked Neth negotiators what criteria they envisaged in replace agreement Neth replied they felt there shld still be special relationship between Neth and Indo and former wld not be satisfied simply by most-favored-nation treatment. Supomo did not tell me just what he replied but made clear to me Indo wld not countenance continuation any union organs and wld have to keep in mind relations with other friendly powers when deciding what treatment to accord Neth.

In view foregoing info, I recommend against US suggesting any

¹ Willem Drees, Prime Minister of the Netherlands.

² Presumably the reference is to F. J. T. Rutten, Minister of Education, Arts, and Science.

³ N. S. Blom, Secretary of State, Ministry of Foreign Affairs.

⁴ Presumably the reference is to Lumbertus Goetzen, Minister Without Portfolio in the previous government, and co-chairman of the Netherlands' delegation for the Union Statute negotiations that began in December.

form delaying tactics to one or both union partners. (Deptel 358⁵). Viewpoints both sides known to each other so exchange Parliamentary visits unnecessary. Negots will require several months even in normal course. I object particularly to any idea studying India-UK relationship as model or drawing India into controversy or negots in any way.

COCHRAN

⁵ Not printed; the Department of State in telegram 358 to Djakarta, September 20, informed Ambassador Cochran that Ambassador van Roijen had visited the Department on September 19 to discuss the Netherlands' attitude toward revising the Union Statute. The Ambassador said it was politically difficult, if not impossible, for the present Netherlands Government to agree to the statute's revision. Mr. van Roijen suggested that, until the general elections had been conducted in the spring of 1952, delaying tactics be pursued. After the elections, he believed that it would be possible for the new government to agree to a new relationship with Indonesia. The Department officials who talked with Ambassador van Roijen endorsed his suggestions, but the Department asked Ambassador Cochran for his comments regarding these stratagems. (656.56D/9-2051)

460.56D9/10-251 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, October 2, 1951—3 p. m.

513. Visited Djuanda evening 1st my request. Told him of my talks with Subardjo (Embtels 499¹ and 509²) with particular reference desirability Indo terminating exports strategic materials to Sov bloc. Also summarized Wilopo's complaints re US econ aid and my reply thereto.

I appealed to Djuanda as Vice Chairman Cabinet's Financial and Econ Council to assist in orienting Indo trade policy in such fashion as to avoid Indo possibly incurring penalties under Kem Act or superseding legislation because exporting strategic materials to Commie bloc. Djuanda said trade agreements with Hungary, Poland and Czech had been routine arrangements, following old NEI trade lines, and that some provisions therein had been specifically inserted at request Neth Govt. He was of opinion Neth had requested Indo allocate tin to Czechoslovakia under Indo bilateral in order Neth itself might procure certain commodities in triangular trade and payments arrangements. Djuanda unofficially agreed that commodities obtained by Indo under three above-mentioned agreements are not vital and

¹ In telegram 499 from Djakarta, September 29, Ambassador Cochran reported that Foreign Minister Subardjo had expressed great appreciation for the Department's assistance while he had been in the United States. The topics of conversation were the potential difficulties of getting the Indonesian Parliament to ratify the Japanese peace treaty, the desire of the United States to see the Indonesian Government suppress dissident elements inside the country and to embargo strategic materials to Communist states, and the wish of the Indonesians to solve the Netherlands New Guinea problem satisfactorily. (694.001/9-2951)

² Not printed, but see footnote 2, p. 713.

could be obtained in large part from other countries. Most important item involved, he thought, was cheap motor cars being imported from Czechoslovakia.

I reviewed provisions Kem Act and endeavored anticipate Battle Act. I said Emb required report to Dept in present quarter with respect any export trade Indo with satellite countries. I said especially bad impression would be created if report reveals fresh agreement Indo provide tin to Czechoslovakia. I did not, however, limit US concern to Czech agreement alone. Djuanda said he thought Czech agreement had already been signed but was sure it had not yet been approved by Cabinet. He promised look into matter, he being particularly interested in continuing receive US aid.

I mentioned to Djuanda receipt instruction (A-60 September 20)³ requesting Emb provide copies or full details current Indo trade agreements with satellite countries. Djuanda confirmed my understanding text such agreements not published in any Indo official journal or otherwise by Indo. I said I would address note to FonMin requesting data. Djuanda promised if these not forthcoming he would check over memo, which I would prepare giving such data as I have or can procure, and point out and remedy any deficiencies therein.

Cabinet mtg postponed until morning Thursday fourth when Subardjo and members Indo del will report SF conference. I doubt if matter trade agreements will come up then or that this would be propitious mtg for Djuanda to stress urgency ratifying ECA bilateral agreement and accepting trilateral agreement on counterpart funds, on which matters I talked with him urgently. I am convinced, however, he will do utmost to help with these questions well as endeavor eliminate strategic materials from Czech agreement. While it has not been my intention or purpose to single out Czech agreement or let agreement with other satellite countries escape attention, I have of necessity pushed this case since Darmasetiawan raised question (Emb-tel 493) and since there appears opportunity still to block putting into force Czech agreement containing strategic materials.

COCHRAN

³ Not printed.

460.56D9/10-551 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, October 5, 1951—7:55 p. m.

422. Dept commends your efforts eliminate Indo strategic materials from Indo-Czech agreement. For guidance in possible future conversations follow observations made to supplement penultimate para Deptel 353 and to attempt answer Indo questions whether US not

disposed excuse shipments of peacetime proportions and whether US fol same standards with England as Indonesia.

Generally US opposed any shipments strategic commodities to Soviet bloc countries. If Indo unable eliminate tin and rubber from Czech agreement Indo shld in fixing level of these exports give careful consideration possible implications Battle Bill, which provides fol criteria for justifying continuance of mil, econ or financial assistance to any country shipping "items primary strategic significance" to Russian satellite countries: (1) consideration contribution Indo to mutual security free world, (2) importance Indo assistance to US security, (3) strategic importance imports received from Soviet bloc, and (4) adequacy Indo controls over export to Soviet bloc of strategic items.

Dept believes Indo shld give particular attention item (3) above. Re this item several Eur countries have faced apparent necessity including strategic items in exports Soviet bloc countries under trade agreements negotiated with those countries. They have felt so obliged due their appraisal importance of items received in return as essential to basic econ and not available elsewhere. This substantially UK position re shipment rubber to USSR and this can be pointed out to Subardjo in response his concern re Brit shipments. Dept interested knowing what items Czechs able offer Indos which latter regard such importance to justify exporting strategic items to member Sov bloc. Even if Indos believe inclusion tin and rubber essential, no compelling reasons appear exist to ship in excess of exports in recent years. FYI this is substantially similar to our approach to Brit on like problem. Of course when Battle Bill becomes effective any shipments of primary strategic items wld require justification for exception under criteria enumerated above. Rubber and tin will certainly be among commodities affected by Battle Bill. Tin presently on International List II and rubber not on any International list.

WEBB

460.509/10-1051 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, October 10, 1951—1 p. m.

552. Djuanda called ninth my request. Gave him copy memo to FonOff based on Dept A-60, Sept 21 ¹ requesting copies current Indo agreements with Soviet satellites. I indicated info Emb has on trade under these agreements and specific points on which data lacking. He

¹ Not printed.

uncertain whether govt wld provide copies but said this matter for FonOff decide and he wld speak to Subardjo. Ref Embtels 493 and 509² and Deptel 422.³

Djuanda said agreement reached with Czech on 1951-1952 trade and awaits only final approval and signing by govt. Said Indo negotiator Asmaun had been given instructions by fin and econ comite as to how far he cld go in negots and had accomplished agreement within such scope. Said it wld now be most difficult for Indo go back on these negots. He let me know new arrangement provides for Indo export 500 tons tin and 1500 tons rubber to Czech. Last year's tin contingent 700 tons. Asmaun was auth go up to this total in new agreement but held figures down to 500 tons against Czech request for 1750. Under 1950-1951 agreement Czech actually recd only 400 tons since Czech unable provide adequate goods in compensation.

I pointed out to Djuanda unhappy reaction which wld take place in US if now revealed Indo has agreed provide Czech with tin and rubber through negots undertaken in spite Kem amendment and consummated shortly after Indo given provisional period of exception from Kem amendment. Djuanda argued UK and other Western Eur countries continue receive US aid in spite much more important exports from those areas to Soviet area than Indo sends satellites. I followed arguments of Deptel 422. Djuanda countered we shld check at Hague on tin and other strategic exports of Neth to USSR and satellites. He said Indo Govt knows Neth receives more tin from Indo than requires for own needs and uses this in trade with satellites. Said through manipulations of "East-West" Company Neth switched tin and other strategic materials through transactions with Western Germany to destinations behind iron curtain. He pointed out Indo prospective tin contingent for Czech constitutes about 1 percent annual Indo production.

I stressed good impression Indo wld make on US and on world in general by showing courage to cut out strategic materials entirely from Czech agreement. He said while this might receive some applause, it wld definitely be attacked by Commie countries, and wld draw much opposition to govt internally. I said if such step cld be taken in spite obstacles thereto it shld be easier accept existence two other running agreements namely with Hungary and Poland which include strategic materials. Djuanda doubted anything cld be done and

² In telegram 509 from Djakarta, October 1, Ambassador Cochran informed Foreign Minister Subardjo that the proposed Czech-Indonesian trade agreement, if it encompassed the selling of strategic raw materials to a Communist state, could have serious repercussions upon U.S.-Indonesian relations and could cause the United States to revoke Indonesia's exemption from the provisions of the Kem Amendment (656D.94/10-151).

³ *Supra*.

hoped we wld be satisfied with narrow limits within which Indo keeping exports of strategic materials to satellites.

To justify such exports to Czech, Djuanda stressed importance to Indo economy of Czech materials recd in return. He mentioned particularly paper required by press, which sharply critical of govt unless needs taken care of, and Polish steel and tools required to keep up Indo economy, and especially to increase production strategic materials for export. Djuanda thought Indos record more than favorable compared with UK and Neth.

Djuanda phoned tenth wld see Subardjo and Wilopo tonight. Said he wld urge them make copies current trade agreements with satellite countries available to me. He felt disclosure facts in case wld convince US auths Indos in position justify Kem exception. I told him easier for sympathetic consideration be given if Indo Govt discloses facts frankly rather than obliges us seek info from various sources and then perhaps make recommendation and take decision on incomplete info.

I reiterated to Djuanda advantage to Indo under Kem or Battle legis or moving far as possible now toward cutting down exports strategic materials to satellites. He promised do his best. He is to report back tomorrow. I will see Subardjo twelfth. With Djuanda thoroughly appreciating importance cooperating with us I am confident whatever he can achieve for us now will be more than I cld get through straight negot at Ministries Foreign Affairs and Economics and will be maximum we can obtain for present. Had I known in advance exception was to be made Sept 13 I might have bargained that against Indo eliminating strategic materials from Czech agreement then in course negot.

COCHRAN

656.56D/10-1051 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, October 10, 1951—4 p. m.

555. Neth H. C. Lamping called today fol his return from more than two months in Neth. He expressed pleasure at degree to which Sukiman Govt had improved in internatl policy in recent weeks. He brought up subj Indo desire replace RTC agreements with bilateral treaty. He said both Catholic and Labor Parties wld lose votes if they agreed liquidate union before Neth elections next summer. He feared such votes as they lose wld go to "reactionary" parties. Said he was basically on conservative side but after his years service India and then Indo he believes Neth shld make genuine effort negotiate new arrangement with Indo. He said PriMin Drees was quite displeased with Indo

attitude and wanting "wash his hands of affair". I reminded Lamping Drees had worked with us at RTC and was entirely aware objections both sides to Union statute. Compromise was best we cld accomplish on that well as on New Guinea. Lamping asked whether I thought Indos wld still be unpleasant with Neth over New Guinea if Neth gave Indo acceptable treaty replacing RTC. I told him US had consistently taken position parties shld endeavor negotiate amicable and mutually satisfactory solution New Guinea. He said neither side would yield. I expressed opinion Indo wld not relinquish claim to New Guinea. When Lamping persisted and asked whether I thought Indos wld cause trouble. I simply said I cld not guarantee that clamor for NG wld cease with negot satis bilateral treaty replacing RTC. Lamping said it wld be his preference see negots replace RTC postponed one year but he knows Indos will not agree to such delay and he feared Neth interests might suffer thru delay. He said matter might be simplified by Indo cancelling RTC agreement and taking consequences. I made no comment.

COCHRAN

756D.5/10-1151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, October 11, 1951—3 p. m.

560. Ambassador Ali asked me last evening what attitude Dept wld take toward helping Indonesia purchase defense equipment US. I said unaware to what extent Indonesia followed up info obtained this subject on and shortly after visit Roem and myself Washington last autumn (see Deptel 643, Dec 23 ¹).

I had heard Sudarpo had inquired of Dept re obtaining LSTs and certain other items which he was subsequently to list. I said had just been informed by Dept his Emb had been placed in touch with possible sources LSTs (Deptel 431 ²). I said if Indonesia desires reimbursable military assistance Ali's Embassy shld directly contact US auths Washington. I wld be glad do whatever possible assist while we are both in Washington, and bring back info for first-hand explanation to Indonesian Govt.

COCHRAN

¹ Not here printed.

² In telegram 431 to Djakarta, October 9, Ambassador Cochran was informed that the Department of State had put the Indonesian Embassy in Washington in contact with private owners of LST's, and that the Department had assumed no responsibility as to the reliability of these firms (856D. 10/10-951).

456D.6031/10-1251 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, October 12, 1951—midnight.

575. On eleventh Djuanda told me he had asked Subardjo, Wilopo and Darmasetiawan approve my being provided copies current bilateral trade agreements with Soviet satellites to enable me make intelligent report to Washington on application Kem amendment to Indo. I saw Subardjo this noon and raised this question.

I referred to story in yesterday's local press to effect Indo about to conclude agreement with Czech whereunder tin wld be provided Czech against steel for Indo. I said no matter how sympathetically we may endeavor justify Indo position, embarrassment very likely since announcement this arrangement follows so shortly after Indo being excepted from Kem amendment on Sept 13. I still hoped it might be possible for tin and rubber be eliminated from Czech agreement. Subardjo said final decision wld be taken at Cabinet mtg tonight. I asked that either he or Djuanda phone me later as to result. I also urged that no new agreements be entered into which wld provide strategic materials to satellites and that as current agreements lapse such items be omitted from renewed agreements.

Subardjo had Asmaun deliver to me this afternoon copies current agreements with Poland, Ind, Hungary and also draft agreement with Czech. These will be transmitted by Emb despatch.¹ Djuanda phoned 11 p. m. that Czech agreement assigned this morning by negotiators, contained tin and rubber, had not come up for final approval at tonight's Cabinet mtg.

COCHRAN

¹ Not printed.

856D.2395/10-1651 : Telegram

The Chargé in Indonesia (Benninghoff) to the Secretary of State

CONFIDENTIAL

DJAKARTA, October 16, 1951—3 p. m.

590. Deptel 247, Aug 24 [23]. PPN informally inquired whether GSA wld consider revision rubber contract giving fixed price 53 US cents pound RSS 1, 51 cents RSS 2 and 49 cents RSS 3 for 500 to 700 tons monthly with balance of same formula present contract except Djakarta instead Singapore quotations. Emb reiterated inability negotiate above market price but agreed submit GSA.¹

BENNINGHOFF

¹ In telegram 468 to Djakarta, October 19, Ambassador Cochran was informed that GSA was unwilling to amend the rubber contract except as outlined in telegram 247 to Djakarta, August 23, p. 699. (856D 2395/10-1951)

460.509/10-1851 : Telegram

The Chargé in Indonesia (Benninghoff) to the Secretary of State

SECRET

DJAKARTA, October 18, 1951—10 a. m.

603. Deptel 449, October 15.¹ In brief conversation Djuanda said Czech agreement not yet formally approved by Cabinet although such action expected soon. Said figures in agreement not considered as firm contract but rather as upper limit which in other similar agreements not always met. See second para Embtel 552.

As Amb Cochran has already covered ground thoroughly with Djuanda and Subardjo, suggest I defer detailed discussion pending his arrival Wash next week.

BENNINGHOFF

¹ In telegram 449 to Djakarta, October 15, the Department of State informed Chargé Benninghoff that it had noticed discrepancies between the tonnages reported in telegram 552 from Djakarta, October 10, p. 712 and those which had arrived from The Hague. If the new Indonesian commitments to deliver tin and rubber to the Czechs were greater than the amounts included in the previous accord, Mr. Benninghoff was to point this out to the appropriate officials. He was also told that if these trade plans were finalized, the shipment of these items should be kept to a minimum and within the limits of the economic and strategic importance of the items received in return. (460.509/10-1051)

756D.5-MAP/10-1851

The Chargé in Indonesia (Benninghoff) to the Secretary of State

RESTRICTED

DJAKARTA, October 18, 1951.

No. 235

Ref: Circular Airgram October 2, 1951, Control No. 202 ¹

Subject: MAAG Report: April 1-September 30.

In reply to the Department's Airgram under reference, there is quoted below a memorandum dated October 16, 1951, prepared by the Chief of MAAG, Indonesia,² concerning his operations during the period under review:

HEADQUARTERS 8482d ADMINISTRATIVE AREA UNIT
Army Section, Military Assistance Advisory Group
Djakarta, Indonesia

092 MDAP (MSP)

16 October 1951

Subject: Remarks for 4th Semi-annual Report on the Mutual Defense Assistance Program

To: Chargé d'Affaires ad Interim
American Embassy
Djakarta, Indonesia

¹ Not printed.² Lt. Col. Gordon L. Beach, USA.

With reference to our conversation of 15 October 1951, the following comments on results and progress of MDAP in Indonesia are presented for your consideration:

1. The limited Mutual Security Program for Indonesia was designed to provide the Indonesian National Police Mobile Brigade with arms, limited vehicular transportation, and communications facilities essential for their mission of achieving and maintaining internal security within Indonesia. Although only approximately fifty percent (50%) of the total dollar value of supplies and material programmed for the National Police has been received to date, favorable developments in the formation and utilization of Mobile Brigade Units, morale of personnel, and operational planning have been noted. An encouraging number of Brigade units equipped with MSP (MDAP) equipment have completed their re-training and are being given important security missions. For example, at the Port of Djakarta (Tandjong Priok), the principal commercial harbor of Indonesia, Mobile Brigade units have been active in policing and port security measures. At a recent important ceremony, they assumed full control of all security operations at the port, formerly controlled by the Indonesian Army.

2. Although the effectiveness of MSP (MDAP) aid to Indonesia has been curtailed by delays in delivery of programmed weapons carriers, armored cars, machine guns and certain items of ammunition, the extensive use of equipment items already delivered, especially the radio sets, vehicles and small arms, has been a great asset to the National Police in organizing and training their Mobile Brigade units and expanding their internal security operations. It is believed that Communism does and will continue to present an increasing threat to the people of Indonesia, but at the same time it is felt that the Indonesian Military and National Police Forces' capabilities for combating Communistic activities have been increased to an equal or greater degree.

3. There has been an increase in export tonnage from Indonesia during 1951, with a material increase in dollar value of exports. With the exception of West Java, a small part of Central Java, and the Southern Celebes, there has been a general improvement of internal security with resultant increase in the economic security of the country. Some planters and estate managers who were considering not operating their estates or limiting their operations, have changed their minds due to improvement in security in their areas, and will continue full operations.

4. The present "Independent Policy" attitude prevails within the Indonesian government and few governmental personnel, other than those at the top diplomatic and administrative levels, appear to be well-versed in either the purposes or scope of the Mutual Security Program for Indonesia. Due to the limited amount of local publicity given shipments of MSP (MDAP) equipment received in the past, the average "man on the street" is not aware of the program. Indonesian National Police and Mobile Brigade reaction to MSP (MDAP) has been excellent but the other Indonesian armed forces, having received none of the equipment, exhibit a certain amount of jealousy. Their lower ranks express the general opinion that we are favoring

the National Police. Since the National Police work side by side with the other military forces on internal security matters, such a feeling appears to be only natural.

5. There have been no deliveries of major items of MSP equipment during the six-months period covered by this report, and the non-receipt of major items, particularly vehicles and automatic weapons, has presented a problem to the administrative staff of the Mobile Brigade in planning their unit training phases, future operations, and utilization of their supply and warehousing facilities. Information available to the MAAG-Indonesia on which to base estimates of future delivery dates is inadequate, since a delay of from 4 to 8 months between estimated delivery date and actual receipt of equipment precludes advance planning for storage and distribution. This is particularly true in the case of Indonesia, where even minimal storage facilities are at a premium.

Gordon L. Beach, *Lt. Col. Sig C*
Chief, MAAG-Indonesia

H. MERRELL BENNINGHOFF

756D.5-MAP/10-2451

Memorandum of Conversation, by the Ambassador to Indonesia
(Cochran)

TOP SECRET

[WASHINGTON,] October 24, 1951.

Subject: Conversation between the Indonesian Ambassador and Ambassador H. Merle Cochran, October 24, 1951.

Participants: The Ambassador to the United States from Indonesia; Ambassador H. Merle Cochran.

I called on the Indonesian Ambassador at 11:30 today. He said that when he left Indonesia a few days after I did (my departure was on October 13), the first section of the Indonesian delegation to the United Nations General Assembly was ready to depart for Paris and the second would leave on November 1. He told me that just before he left Djakarta, he had been informed of the *aide-mémoire* which Foreign Minister Subardjo had submitted to me.¹ I told him that I had ac-

¹ On October 12, Foreign Minister Subardjo handed Ambassador Cochran an *aide-mémoire* in which the Indonesian Government formally requested that the United States extend additional aid in the form of ships for interinsular trade and arms for the army. Specifically, the Indonesians wanted to purchase surplus Liberty ships, and they hoped to acquire arms on a reimbursable basis. In the second half of the *aide-mémoire*, the Indonesian Government took up the issues of altering the Round Table Agreement and resolving the impasse over Netherlands New Guinea. With regard to the Round Table Agreement, the Indonesians wanted to alter it in such a fashion to allow normal relations to be established between the Netherlands and Indonesia. The Indonesian Government also proposed that the Netherlands recognize Indonesia's sovereignty over West Irian on the following terms: Indonesia would guarantee Dutch interests there for twenty-five years and similar treatment would be accorded to American and Australian

quainted a limited number of officials in the Department with the contents of this memorandum, and that we were already looking into the possibility of providing military equipment under reimbursable aid, and also selling Liberty ships from the mothball fleet.

I asked Dr. Ali if any list of military equipment had been prepared, or if he could be more specific as to what was sought on this point. He said that he had questioned Colonel Simatupang thereon while in Djakarta, but that the Colonel had said the list would be quite extensive, and would not be prepared and submitted until it might be ascertained that there was a possibility of arranging satisfactorily for procurement thereof in the United States. He said that the Colonel thought it might be feasible to work under some arrangement similar to that which had been consummated by Prime Minister Hatta and myself on police equipment.² I asked if Dr. Ali desired, therefore, that I revive this question, which had been raised on the occasion of my visit last autumn with the then Foreign Minister of Indonesia,³ and ascertain the most generous terms on which reimbursable aid could be procured. It was understood that Indonesia desired to pay cash, but to be excused as far as possible from undertakings which could be interpreted as destroying the "independent" policy of Indonesia. I told him I would inquire into this, and let him hear from us as soon as possible.

On the matter of Liberty ships, Dr. Ali agreed with me that it was not his task or mine to endeavor to procure ships for the Djakarta Lloyd or any other single shipping line, but that we might helpfully work toward procuring vessels for the Ministry of Communications itself, which could attend to allocating them as it might see fit for service in inter-island trade. I said I had already spoken to assistant Secretary Rusk, as well as Messrs. Lacy and Coerr, on this subject, and that we would report progress later.

With respect to the part of the *aide-mémoire* which dealt with negotiating a bilateral treaty to replace the Round Table agreements, and also with the Indonesian approach on the Irian question through arrangements with Australia, the Netherlands, and the United States, I told Dr. Ali that I had informed the Secretary of State in the premises. I had not filed this *aide-mémoire* formally, but would work with the appropriate officials in the Department who might consider it, and we would be available for consultation if the Indonesians might

Footnote continued from preceding page.

nationals as well; Dutch, American, and Australian enterprises would be afforded the greatest possible opportunity to harness the area's natural resources on a long term basis; and the Indonesians would invite the technical assistance of the Netherlands, the United States, and Australia in the social and economic development of Irian. (756D.00/10-1251)

² The reference is to Dr. Hatta's oral undertaking of August 1950, that Indonesia would not permit strategic materials to be exported to nations unfriendly to the United States. For documentation, see *Foreign Relations*, 1950, vol. VI, pp. 964 ff.

³ Mohammad Rum.

see fit to approach the American delegation at the UNGA in Paris. I said that I had only briefly summarized the *aide-mémoire* to the Secretary and that he would not, of course, be in a position to respond directly and immediately if he should be approached thereon at Paris. I asked, incidentally, whether the Indonesian Government had taken any steps towards submitting the proposition, through an *aide-mémoire*, or otherwise, to the Netherlands and Australian Governments. Dr. Ali thought this had not been done; that only the approach to us had been made. He agreed with me that this matter should be kept Top Secret and no discussion thereof undertaken unless and until the Indonesian delegation itself might make such approach as the Indonesian Government desires at Paris. I said it was understood I would be available for consultation in Paris if and when it might appear that I could be of any assistance. I said I had learned that Sudarpo had recently mentioned the idea of a multilateral security pact, on which we left initiative to Indonesia.

Dr. Ali said that Foreign Minister Casey of Australia had passed through Djakarta en route to Paris after I had left, and had established excellent relations with the Indonesian Government. He gave me a copy of a cable from Djakarta dated October 23 whereof he said a copy had also been passed to the Australian Embassy here. A copy of this communication is attached.⁴ I reminded Dr. Ali that Mr. Casey was well known to our Government, and particularly to Secretary Acheson. I expressed the hope that it might be possible for Messrs. Casey and Acheson to work closely together at Paris.

Dr. Ali said that the difficult problem would be to get the Dutch to see the light. He said Prime Minister Drees would be especially difficult. He said most of the other Dutch political leaders realized that the Union Statute was a dead issue and that the time had come for negotiating a new agreement. He said that many Dutch realized that the Irian question would also have to be solved in a way that would be acceptable to Indonesia. I expressed the hope that Indonesia would do its best to negotiate patiently with the parties concerned, just as the Republic had done when we had so many difficult problems to solve under the auspices of the Security Council. Dr. Ali said that he was against unilateral denunciation such as resorted to by Egypt, and against such measures as being taken with respect to Abadan. He feared, however, that if the Dutch continue to be stubborn and intransigent, Indonesia may resort to counter-measures, such as nationalization of important Dutch investments in Indonesia. I again told him that we should be calm, and conscientiously endeavor to work out the remaining problems in the same good spirit that we had tackled and

⁴ Not printed.

surmounted earlier difficulties. I said Indonesia had moved forward tremendously in the past three years.

856D.00-R/10-3151 : Telegram

The Chargé in Indonesia (Benninghoff) to the Secretary of State

CONFIDENTIAL

DJAKARTA, October 31, 1951—10 a. m.

660. For Cochran. Fol note recd from FonOff

"Number 42854; The Ministry for Foreign Affairs of Republic of Indonesia presents its compliments to Emb of USA and with reference to the latter's note of Aug 20, 1951, confidential Nr. 65 has the honor to state that the economic cooperation agreement between The Govt of The Republic of Indonesia and The Govt of The United States of America, signed in Djakarta on Oct 16, 1950, has been and will continue to be a binding obligation of The Republic of Indonesia, according to its terms, pending Parliamentary action.

This Ministry avails itself of this opportunity to assure the Emb of its highest consideration. Djakarta, Oct 27, 1951."

At Sukarno's reception Oct 24 Hayes¹ queried Xain on this subj. I entered conversation in time heard Xain express surprise no notes sent Emb and promise expedite action.

Hayes now at Baguio meeting STEM chiefs.² Before he returns next week would appreciate learning whether note accepted or whether interpretation phrase "pending Parliament action" shld be sought from FonOff. If note acceptable, is any action necessary beyond routine acknowledgement to FonOff and transmission copy STEM?³

BENNINGHOFF

¹ Samuel P. Hayes, Jr., Chief, STEM Mission in Indonesia.

² For documentation, see pp. 1 ff.

³ In telegram 502 to Djakarta, November 1, Ambassador Cochran informed Chargé Benninghoff that the Indonesian note was acceptable to the Department of State, and that the Chargé should acknowledge its receipt and provide STEM with a copy (856D.00-R/10-3151).

656.56D/11-1651 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PRIORITY

PARIS, November 16, 1951—2 p. m.

2919. Re Neth-Indo impasse. Cochran was recd by Subardjo 9:30 Nov 15. FonMin said relations between Indo and Neth had worsened since his departure from Djakarta, principally because of Neth proposal to amend constitution to define West Irian as being part of Neth territory. Subardjo said he had talked with Stikker¹ on this subj four-

¹ Dirk U. Stikker, Netherlands Minister of Foreign Affairs.

teenth. He said Stikker had handed him note constituting Neth reply to Indo request for info as to what Neth action signified. He said note explained it was necessary delimit new territory of Neth fol Indo independence.

Subardjo said he told Stikker it wld not be feasible for Indo Govt proceed with contemplated conversations with Neth Govt thru Supomo commission on negotiation of bilateral treaty to replace round-table conf agreements unless Irian question cld also be discussed. Subardjo said Stikker replied Neth Govt wld be willing discuss Irian question, but he cld tell Subardjo in advance such discussions wld be futile since Neth Parliament wld be unfavorable towards any measure contemplating *de jure* transfer of sovereignty over Irian to Indo.

Subardjo said he had been requested by PriMin Sukiman to return Djakarta for urgent discussions of above and related matters and presentation thereof to Parliament, and plans depart Nov 21 or 22. He said Supomo and members his commission wld most likely remain Djakarta awaiting Subardjo's arrival. Palar wld head Indo del UNGA until Subardjo reaches Djakarta and sends Darmasetiawan to replace him here.

Subardjo told Cochran he had fourteenth broached proposal to Stikker of *de jure* transfer of sovereignty over Irian under conditions which wld guarantee national treatment to Neth subjects and certain privileges to Neth over period 25 years. He said Stikker wld not commit himself on this subj but wld be willing for Neth negotiating commission to discuss this with Supomo commission. Subardjo then asked that Cochran present to Secy fol proposal:

"That in order achieve polit stability in Indo:

A. Relations between Indo and Neth based on round-table conf (Hague Agreement in 1949), be altered into normal relations between sovereign states without form of union;

B. Dispute concerning West Irian be solved in satis manner for Indo, recognition of Indo's sovereignty on Irian being done on fol terms:

1. Guarantee of Neth interests in Irian by giving to Neth national treatment during period 25 years; similar treatment extended to Amer and Australian nationals;
2. Giving Neth, American and Australian enterprises greatest possible opportunity to harness Irian's natural resources both above and below ground. This will take place at such conditions and for period and time so as to enable enterprises to remain or to be guaranteed continuity making possible investment required for normal long-term business operations, except in those cases which are in contravention with public interest including the general econ policy of the Republic of Indo;
3. Tech assistance of Neth, USA and Australia in public admin and social and econ development of Irian. In conclusion par-

particular stress shld be laid on desirability of having rapid solution concerning Indo desiderata because this will be instrumental to rapid achievement of polit stability in Indo."

In answer to Cochran's question, Subardjo said he had not informed Stikker of contemplated approach to US and Australia with view to including them in triangular arrangement. He said he had instructed his Amb to Australia at time of conf of Indo chiefs of mission at Djakarta in Oct to approach Australian Govt on this subj, but had not yet recd any report. He said he wld invite Australian FonMin Casey for tea fifteenth and wld make above proposal to Casey, letting latter know that Cochran was submitting same proposal for him to Secy. He promised to let Cochran know outcome of conversation with Casey so decision cld be taken as to how three FonMins—Acheson, Casey and Stikker—cld pursue question further. Subardjo stressed desirability of speedy action since Casey intends depart for Australia early next week.

Subardjo seriously concerned over deterioration Indo relations with Neth fol announcement Neth proposal to amend constitution regarding Irian. He said if Neth proceeds with this measure, he expects Indo Parliament enact similar measures, including Irian in Indo. He fears there is some danger of Indo Govt hesitating to send Supomo commission to Europe to negotiate on round-table agreements if Neth Govt appears adamant on Irian question. He mentioned possible unilateral abrogation of round-table agreements by Indo Parliament. Cochran urged patience and recourse to negot rather than any unilateral action. Subardjo concurred entirely in desirability of negot rather than any hasty action which might have unfortunate international repercussions for Indo. He stressed, however, urgency of making some progress soonest on working out satis settlement of Irian question. He did not think Indo Govt wld be content to fol suggestion which Stikker made to him fourteenth, namely, that two countries proceed through their respective commissions to negotiate bilateral treaty replacing RTC agreements, and then let period of time lapse to see how satisfactorily new treaty may work before Neth gives consideration to yielding sovereignty over Irian.

Casey has asked to see Secy sixteenth. Believe Dept shld not take up Irian question with Neth Govt Hague before receiving by pouch text of *aide-mémoire* handed to Secretary by Stikker² and before knowing results of conversations with Casey.

Sent Dept 2919; rptd info The Hague 57.

BRUCE

² Not printed; according to the covering memorandum of despatch 991 from The Hague, November 30, which enclosed a copy of this *aide-mémoire* of November 12, Foreign Minister Stikker had distributed copies of it among the Western Union Foreign Ministers at Paris (756C.00/11-3051).

656.56D/11-1751 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PRIORITY

PARIS, November 17, 1951—8 p. m.

2968. From Cochran. Indo FonMin Subardjo asked me call morning 16th. Said he had presented orally to FonMin Casey of Australia afternoon 15th same proposal which he had submitted to US, i.e. resolution Irian question which wld involve *de jure* transfer of sovereignty to Indo but with arrangements made also with Australia and US.

Subardjo said Casey appeared quite interested in proposal, and promised discuss it with his people. He said Casey had already made plans to visit Hague over this weekend, returning to Paris Monday,¹ but assured Subardjo he shld have no worry over this visit.

Subardjo said Casey asked whether presentation of Indo proposal to three powers might not be premature. Subardjo said he emphasized to Casey desirability of achieving amicable understanding on Irian before acute crisis reached Indo. Subardjo reaffirmed to me his worry over deterioration Indo-Neth relations as result Irian issue. He recalled progress Indo had made in direction favorable to Western powers since Sukiman govt came into office last spring. He said if govt and people of Indo learn US is sympathetic with and helpful towards Indo achieving its aspirations with respect Irian, then there will be no question but Indo will be most friendly to US and will demonstrate such friendship thru continuing course which Sukiman govt has initiated. Subardjo thought it wld be particularly unfortunate, considering problems that now exist between Moslem and Western countries, if Leftist opposition to his govt shld gain in influence as result of failure his govt achieve satisfaction on Irian question.

The Secy spoke to Casey afternoon 16 re Indo proposal for settlement Irian. It was arranged I shld give Casey background.

Was recd morning 17 by Casey with his Amb to Indo, Hood, and other advisers present. I explained I was not member of USDelGA, was not speaking for Secy or Dept, and was only there to continue conversations had with Casey at Djakarta few weeks ago and to bring him to date on latest Indo developments, particularly with respect Irian proposal. Casey said he understood my position and wld in no manner embarrass me if I wld talk frankly.

Casey said Subardjo had presented proposal to him orally. Casey interpreted this as Indo plan to reserve authoritative control of Irian to themselves; but to expect US and Australia put up the money. I

¹ November 19.

thought there was more to proposition than this, particularly with respect to giving investment rights.

I permitted Casey have exact wording of proposal as Subardjo had submitted it in writing to me. Casey said he had told Subardjo any raising of question of transfer of sovereignty in Irian now would cause agitation in Australia. He recommended to Subardjo that question be kept dormant for present and that we all cooperate towards protecting our common interests from possible dangers from outside.

I told Casey I had consistently advised Indo Govt move slowly on contentious questions remaining with Neth, and endeavor resolve them by amicable negots. I still favored this, but had become convinced thru recent reports from Djakarta and from two conversations with Subardjo this week that genuine crisis existing on Irian question. In answer to his query, I told Casey no position had been taken by Secy in response to approach by Stikker presenting *aide-mémoire* on Indo sitn² and likewise no position taken on Indo proposal. I said both matters being referred to Dept for appropriate consideration.

Casey said he also had recd copy *aide-mémoire* from Stikker. I questioned certain Neth arguments therein. I mentioned particularly allegation that Sukarno had turned out Masjumi sympathetic to West, namely Rum, Natsir and Sjafraddin, and imposed govt with anti-West PNI Party dominant. I expressed opinion Masjumi govt had fallen principally because reluctance above mentioned leaders to effect conciliation and coalition with PNI. I said present Sukiman govt had proved much more helpful to Western interest than any earlier Indo Govt. I mentioned specifically adherence to UN embargo on tin and rubber to China, refusal to receive 20 Chi Commie dipls, arrest of some 15,000 dissidents, principally Commie, and signing of Jap peace treaty in San Francisco. I said I was convinced present moderate govt supported by Sukarno and Hatta is desirous of having cordial relations with West, and is more likely achieve that result than any other Indo Govt now conceivable.

I referred to that section of Stikker's *aide-mémoire* which envisaged possible solutions of Irian question once Neth has given aborigine inhabitants time to develop self-determination. I said Sukarno had frequently insisted to me that by retaining control over West Irian, Neth was holding pistol at head of Indo. Sukarno said Neth desires work from Irian as base and draw as much of East Indo into their orbit as possible with purpose splitting Indo and eventually recovering all thereof to Neth Crown. I said Indo's fears for this augmented by Neth attitude toward and participation in Macassar and Ambon affairs. I said East Indo was part of NEI which had been most loyal to Crown

² The reference is to Foreign Minister Stikker's *aide-mémoire* of November 12; see footnote 2, p. 724.

and which Djakarta Govt was having most difficulty in consolidating into new state.

I said present Indo move should not be looked upon as one more Moslem anti-Western affair. I reminded Casey that both US and Australian Govts had taken decision to support Indo aspirations for sovereignty and Indos now turn to US to help what they consider to constitute completion of job.

Casey asked if I thought Subardjo proposal had more merit than his initial remarks to me indicated he attributed thereto. I answered affirmatively. I said I was genuinely concerned lest opposition to Sukiman govt should threaten under leadership of Sjahrir³ and others further to Left. I stressed importance having strong and friendly Indo from viewpoint both our countries, considering geographic position Indo and resources thereof, particularly petroleum, tin and rubber. I had been gratified at progress made in recent months with Sukiman govt and did not now want to see opposite trend away from Western powers.

I admitted Neth and Indo positions on Irian far apart, with sovereignty being the big question. I said both sides following usual tactics in entrenching before undertaking negots. I said Stikker insists his Parliament will not give two-thirds majority vote required for transfer of sovereignty, while Indos make early *de jure* sovereignty their prime demand. I said I had asked Subardjo 16th if his people could possibly consider some type trusteeship. He said this quite out of question.

Casey asked what I thought we should do. He said he was going to Hague this noon and would talk there with Stikker and other Neth officials who are certain to raise Irian question. I replied Indo Govt had been encouraged by Casey's two visits to Indo and by reception accorded Subardjo and party at Canberra to believe Indo had sufficiently demonstrated its capacity for self-govt and its determination to put down dissident elements to convince Australia latter need have no fear from Indo being so incompetent in government or Leftist in character as to endanger Australia thru close neighborhood in Irian. Casey admitted he had been agreeably impressed by progress. He had not realized until I told him that Indo had arrested 15,000 dissidents in August and September.

I expressed hope Casey could do something to bring Indo and Neth into conversations soonest. I said I feared Stikker's intimation to Subardjo that present Neth Govt could not possibly transfer sovereignty might deter Indo Govt from sending Supomo mission to Hague to negotiate bilateral treaty to replace round table agreements. I hoped

³ The reference is to Soetan Sjahrir, leader of the PSI.

Neth might not close door so tightly. I said if Indo mission decides not to go to Hague, Parliament would undoubtedly denounce RTC agreements unilaterally. I said I had always argued against this and would continue to do so both here, in contact with Subardjo, and when I return shortly to Djakarta. I would regret unfortunate international repercussions from such measure and fear effects on Western interests in general. Casey asked if I thought matter trusteeship should be put up to Indo at once as possible solution. I preferred leave to him matter of his approaches but thought little chance getting Indo enter negots if trusteeship is only solution held out by Neth. I said once conversations are undertaken with possibility of transfer of sovereignty not excluded, there might be some possibility of compromise on basis trusteeship, though I was extremely doubtful thereon. In answer Casey's question, I said I did not intend to go Hague and US Emb there not in position discuss question prior receipt instructions from Dept. I did not anticipate early formulation such instructions. Casey said he would be in Washington in about two weeks and would be willing discuss question with Dept. He had time sound out his govt in interim. He promised get in touch with us after his week-end at Hague. Believed Dept need take no action on either Stikker's *aide-mémoire* of Indo proposal until more indications available as to Australian attitude and result Casey's conversations. [Cochran.]

BRUCE

656.56D/11-2051 : Telegram

The Ambassador in the Netherlands (Chapin) to the Secretary of State

SECRET

THE HAGUE, November 20, 1951—4 p. m.

505. Like Dutch with whom we have discussed NNG question Stikker told me this morn he had been greatly surprised by extent agitation in Indo over Neth proposal amend constitution take into account change juridical status former Dutch possessions result estab Indo republic. Subardjo he continued had raised subj with him Paris and indicated desire explore it further in visit which Subardjo will make to Hague next November 22. Stikker said had informed Subardjo in his opinion little purpose wld be served by holding discussions re NNG at this stage. Both Neth and Indo claim sovereignty over NNG and with public opinion aroused both countries likelihood any satisfactory settlement out of question at moment.

In reply my query Stikker said he cld state categorically that after conversation with Casey no change Austral attitude re NNG and that *NY Times* report from Hague correspondent to that effect completely without foundation. He, Stikker, had so informed correspondent persisted in claiming report based info recd from reliable source.

Stikker appeared quite pessimistic as to whole subject Neth-Indo relations. Dutch he said had hoped estab relationship corresponding that between US and Philippine Republic including most-favored-nation treatment but there seemed little prospect obtaining this objective so far as near future concerned.

Added in final outburst of gloom he wld not be surprised see union statute denounced next week in which case had no idea what further steps cld be taken by either side.

Dept pass Canberra, Djakarta, sent Dept 505, rptd info Paris 88, Canberra 3, Djakarta 18.

CHAPIN

856D.00-R/11-2351 : Airgram

The Acting Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, November 23, 1951.

A-110. Joint State, Defense and ECA. Interested agencies concur in handling new criteria for eligibility for United States aid and other provisions of Mutual Security Act ¹ (MSA) through exchange of notes. Draft note which comes at end of this airgram has been prepared for submission Indonesian Government on basis appropriate discussions between you and Indonesian officials.

Prompt action this note urgent due provisions MSA (Section 531) that no military economic or technical assistance may be furnished any country which shall not have agreed to Section 511 assurances within 90 days, i.e. by January 8, 1952. Failure of Indonesia to provide necessary assurances will jeopardize continuation of current assistance programs under Economic Cooperation Agreement and under agreement on military assistance in form of constabulary equipment.

It is clear from the legislative history of the section and from the use of the words "has agreed" in that section that the requirement laid down therein can be fulfilled without receiving a restatement of intent to fulfill the commitments in Section 511 if it can be found that in existing agreements the particular country has already accepted the commitments contained in the section. However, it has been concluded that the Executive Branch will respond to the Congressionally imposed requirement in the most direct fashion by requesting all countries receiving aid to subscribe to these undertakings in the words of the section. To try to spell out of the United Nations Charter, the North Atlantic Treaty, and other documents the commitments laid down in Section 511 would involve a semantic exercise of some proportions, at the end of which there would be danger that the Congress would remain unpersuaded as well as somewhat annoyed. For it is not

¹ Approved October 10, 1951; 65 Stat. 373.

at all apparent to those who inserted this section into the statute why any nation should have any difficulty subscribing to these commitments. It is felt that any nation which received aid from the United States ought to be willing, without hesitation, to embrace these general political commitments which seem, at least on their face, to involve nothing more than an agreement to do what in good conscience any recipient of aid ought to agree to.

Paragraph No. 1 this note is based on language of Section 511 (a) in order to continue present constabulary and economic programs after January 8. Funds for the FY 50 constabulary program were not completely expended at end FY 51. This unexpended balance has been consolidated with the funds authorized by the Act (see Section 301 of MSA). As a result Section 511 (a) assurances must be obtained from Indonesian Government if these funds are to be drawn upon after January 8. These assurances would also be necessary to enable the United States Government to act favorably on military supplies for Indonesians mentioned by Subardjo to Secretary September 14 (Department's telegram No. 330, September 15, 1951)² and by Ali to Rusk November 16 (Department's telegram No. 2963, November 16, 1951 to Paris,³ assuming Subardjo and Ali meant grant assistance. (You will note that the preamble to Section 511a specifically exempts reimbursable aid under Section 408 (e) of MDAA of 1949 as amended⁴ from 511a assurances.) In event Indonesia prepared to place constabulary assistance and other military supplies which may be requested on a 408 (e) reimbursable basis after January 8, 1952, assurances based on Section 511 (b) of MSA would be adequate.

In proposing presentation paragraph 1 of draft note the United States assuming Indonesian Government may be prepared to accept language 511 (a) in order to continue military and economic assistance programs on grant basis. Most serious difficulty foreseen by Department to Indonesia's acceptance of paragraph 1 consists of point three and the word "military" in point six. With particular reference to point three Indonesian Government may feel that it has not assumed

² Not printed.

³ In telegram 2963 to Paris, November 16, Ambassador Cochran was informed that Ambassador Sastroamidjojo had called on Assistant Secretary Rusk that day stating that his government would be appreciative if the United States would make a decision in principle on extending military aid to Indonesia. The Assistant Secretary replied that in view of the heavy demands of the American military and due to the needs of friendly powers for available supplies, it would be impractical to attempt to achieve such a policy decision in principle. He also added that the same factors would make it very difficult for the United States to advance a guarantee for any specific supplies, but he did assure the Ambassador that Indonesia would receive sympathetic consideration subject to the above limitations and to the provisions of the new Mutual Security Act. (60156D11/11-1651)

⁴ Approved July 26, 1950; 64 Stat. 373.

any "military obligations" under other agreements or treaties "to which the United States is a party". Mere membership in the United Nations is not considered the assumption of a military obligation. On the other hand, membership in the Inter-American Treaty for Reciprocal Assistance, the North Atlantic Treaty, and bilateral defense treaties with the United States are deemed to involve "military obligations" as that phrase is used in this section. Therefore, although point three desirable in interest of removing all possible basis for questioning Indonesia's compliance with Section 511, it is not directly applicable to Indonesia in absence of "military obligations" in the sense in which these words are used. If in your opinion it would not be in the interest of the United States to include point three in paragraph 1 of draft note, this point may be dropped from the note. Similarly if word "military" likely to cause difficulty for Indonesian Government words "economic and military" may be dropped from point six.

If Indonesian Government unable to agree accept paragraph No. 1 as it appears in draft note below or as modified above and if Indonesian Government prepared to place the constabulary program on a reimbursable basis, then Indonesian agreement to following alternative paragraph 1 based on Section 511 (b) of MSA should be obtained.

"The Government of the Republic of Indonesia re-affirms that along with the Government of the United States of America it is firmly committed to join in promoting international understanding and good will and in maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension."

Indonesian agreement to this provision is a prerequisite to the continuation of economic assistance in absence of Indonesia's acceptance of paragraph 1 of draft note based on section 511 (a).

Paragraph No. 2 of draft note based on Section 524 of MSA which requires the President to make appropriate arrangements with recipient countries for the return of equipment or material no longer needed for the purposes for which originally made available. Such procedures have already been proposed to a number of countries. It is considered desirable to insert this general undertaking in all the agreements with countries receiving assistance under the Mutual Defense Assistance Act.

Paragraph No. 3 of draft note based upon Section 515 of MSA and follows language that section. You may point out this section enacted out of concern by Congress for situation in which funds intended for Greece were attached in Belgium during past year. It is recognized that in certain situations attachments possible on United States foreign aid funds wherever assistance program operates. Problem becomes generally significant only in those cases where advances of funds are made prior to actual delivery of goods and services. Provision would

have no effect where the country obtains the commodity or service involved with its own resources and the United States has reimbursed such country on receipt of documentation showing that commodity or service has actually been purchased and delivered or where the United States makes available commodities or services and payments are made directly by the United States to suppliers. In any cases where the attachment provision will require action to be taken, the Indonesian Government can be assured that the United States will cooperate in helping to work out arrangements for compliance that will not be unduly burdensome.

Inclusion paragraph No. 4 considered desirable due need fully regularize economic aid arrangement. If impossible obtain that assurance by January 8 deadline the Embassy is authorized substitute the following language. "The Government of Indonesia considers the aforementioned Economic Cooperation Agreement fully effective". If even this impossible obtain by January 8, you may omit paragraph 4 entirely from present exchange notes provided Indonesian Government will notify the United States re either ratification or lack of necessity for ratification very shortly after beginning calendar year 1952. Ninety day limit re Section 511 undertakings clearly implies Congressional intent to have bilaterals fully concluded and effective within corresponding period.

Final paragraph. Local conditions may require some modifications in the form of the closing paragraph. These will be considered by Department so long as a legally binding agreement is achieved. In view January 8 deadline urgency prompt action on conversations and exchange of notes again stressed. Progress on negotiations should be reported. Draft text of note follows:

"Excellency: I have the honor to refer to the conversations which have recently taken place between representatives of our Governments relating to the effect of the enactment by the Congress of the United States of the Mutual Security Act of 1951 (P.L. 165-82nd Congress) upon furnishing assistance under the Economic Cooperation Agreement signed on October 16, 1950 and the agreement for military assistance in the form of constabulary equipment signed on August 15, 1950 between the Government of the United States and the Government of the Republic of Indonesia. I also have the honor to confirm the understandings reached as a result of these conversations, as follows:

1. The Government of Indonesia hereby confirms that it has agreed to
 - (1) join in promoting international understanding and good will, and maintaining world peace;
 - (2) take such action as may be mutually agreed upon to eliminate causes of international tension;

- (3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;
- (4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;
- (5) take all reasonable measures which may be needed to develop its defense capacities; and
- (6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

2. The two Governments will establish procedures under which equipment and materials furnished by the Government of the United States under the Mutual Defense Assistance Act of 1949, as amended, other than equipment or materials furnished under terms requiring reimbursement, and no longer required for the purposes for which originally made available will be offered for return to the Government which furnished such assistance for appropriate disposition.

3. The two Governments will establish procedures whereby the Government of Indonesia will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken by the Government of the United States so that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, organization or government, when in the opinion of the Government of the United States any such legal process would interfere with the attainment of the objectives of the said program of assistance.

4. The Government of Indonesia has fulfilled all necessary legal requirements in connection with the bringing into effect of the aforementioned Economic Cooperation Agreement.

Upon receipt of a Note from your Government indicating that the foregoing provisions are acceptable to the Government of Indonesia, the Government of the United States of America will consider that this Note and your reply thereto constitute an agreement between the two governments on this subject which shall enter into force on the date of your Note in reply."

Foregoing note, if acceptable, would cover all changes necessitated by MSA. While Act also extended use guaranties (Section 520) this will be subject separate approach.

Copies of this airgram are being sent to Djakarta.

WEBB

656.56D/11-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

PRIORITY

DJAKARTA, November 28, 1951—3 p. m.

767. Was read by FonMin Subardjo 10 a. m. to present Wilson,¹ Shannon² and Weaver³ of Tin Mission. Remained behind to have short conversation with Subardjo. He said he had talked with Stikker just prior leaving Hague 24th for Djakarta. Had told Stikker he wld recommend Supomo commission proceed Hague shortly after Subardjo's arrival Djakarta, provided Stikker wld agree include Irian on agenda. Stikker agreed. Did not close door to hopeful negots as firmly as he had at Paris but still said he was not optimistic as to outcome from Indo viewpoint.

Subardjo made his report of Paris and Hague visit to Cabinet mtg held Djakarta 27th with VP Hatta and certain additional officials attending. Subardjo said decision taken to send commission headed by Supomo to Hague about Dec 3. Composition commission not yet fixed. Commission to insist upon Irian question being point 2 on agenda with revision RTC agreements as point 1. Subardjo said govt strong and unified on both questions, but PNI favoring more drastic action than Masjumi. Instructions for commission already prepared concerning negot bilateral treaty to replace RTC agreement. Instructions on Irian question yet to be prepared. Present plan envisages informal conversations at first to be followed by negots at ministerial level for which purpose Subardjo wld return Hague. Sense of yesterday's mtg was that Indo shld endeavor obtain decision on both points agenda by Christmas. As of that date Cabinet wld review situation.

Subardjo of opinion Neth will be sufficiently receptive to replacement RTC agreements to permit favorable report thereon within above time limit. If this shld not prove feasible he anticipates PNI pressure for unilateral action. He does not expect favorable action on Irian by that date but said he wld do everything possible to have conversations continued on orderly basis, if satisfactory progress has been made on point 1.

Subardjo said Brit and Australian Govts had approached Indo Govt with view influence latter toward keeping Irian question dormant for present. He said Indo Govt decision yesterday was to proceed with conversations, including Irian subject and that Brit and Australian Govts being so informed. Consequently there wld be no purpose

¹ Brig. Gen. Thomas B. Wilson, U.S.A.R., Special Consultant to the Administrator, General Services Administration.

² Spencer S. Shannon, Consultant, Office of the Administrator, Reconstruction Finance Corporation.

³ George Weaver, Special Assistant to the Administrator, Reconstruction Finance Corporation.

in US associating itself with Brit move reported Hague's 529 to Dept.⁴ Have just recd Canberra's 159 to Dept.⁵ These Hague and Canberra msgs disclose harmful results that are following Stikker's Nov 12 *aide-mémoire*⁶ containing serious misstatements and conveying entirely too pessimistic picture of Indo situation. I hope Dept officers may have opportunity discuss *aide-mémoire* with Casey when he arrives and perhaps with Brit and Neth Embs Wash in light reports I made orally when in US and observations on *aide-mémoire* telegraphed from Paris.

Dept pass Hague, Canberra. Sent Dept 767, rptd Hague 33, Canberra 3, London 6.

COCHRAN

⁴ Not printed.

⁵ In telegram 159 from Canberra, November 27, the Embassy reported the views of the Australian Government regarding the Netherlands New Guinea situation. The Australians basically believed that the Indonesian Government was not sufficiently strong or stable enough to take over this area, which was strategically significant to Australia. Moreover, they feared that if Indonesia obtained the western half of New Guinea, it might also wish to absorb the eastern half as well. The Embassy also reported that the Australian position might be subject to change in the future if Indonesia developed a strong and stable government solidly aligned with the West. For the present, the Australians hoped that the problem would be left dormant. (643.56C/11-2751)

⁶ Not printed; for references to and analyses of this *aide-mémoire*, see telegrams 2919 and 2968 from Paris, November 16 and 17, pp. 722 and 725, respectively.

656.56D/11-2651: Telegram

The Acting Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, November 28, 1951—4:20 p. m.

562. Urtel 757¹ and Hague tel 529 Nov. 26.² Brit Emb Officer Pridham³ on instrs his Govt today informed Lacy of Brit conversation with Indo FonOff based on desirability that discussions between Indo and Neth govts shld be deferred until feelings this issue less heated, and asked if Dept wished to make similar representations to Indo Emb Washington.

Lacy replied he agreed with Brit viewpoint that it wld be beneficial all parties concerned if matter cld be treated temperately, and assured Pridham that Amb Cochran has already discussed issue along these

¹ In telegram 757 from Djakarta, November 26, Chargé Benninghoff reported that an officer of the United Kingdom Embassy in Djakarta had made the following three points to officials of the Indonesian Foreign Office earlier that day: that the United Kingdom would deprecate a unilateral abrogation of the Union Statute; that the United Kingdom hoped Indonesia would not insist on discussing the Netherlands New Guinea issue at the impending meetings concerning the Union Statute; and that the United Kingdom hoped that the impending negotiations would result in a satisfactory settlement (641.56D31/11-2651).

² Not printed.

³ K. R. C. Pridham, Second Secretary, United Kingdom Embassy in Washington.

lines with Subardjo at Paris. Pridham stated he was pleased to learn this action had been taken and that Dept and FonOff views coincided.

Sent to AmEmbassy Djakarta 562; rptd info AmEmbassy The Hague 712, London 2701, Canberra 95.

WEBB

656.56D/11-3051 : Telegram

The Chargé in the Netherlands (Trimble) to the Secretary of State

SECRET

THE HAGUE, November 30, 1951—4 p. m.

551. Djakarta's 767, Nov 28 to Dept. rptd Hague 33, Canberra 3. In view slight discrepancy between Subardjo's account his talk with Stikker Nov 22 as given to Cochran and version furnished me by Reuchlin¹ (524, Nov 23 to Dept²) I asked Reuchlin yesterday morning for further elucidation. He said Stikker had not agreed to inclusion NNG on agenda and as reported ourtel had endeavored discourage Indo from raising matter in forthcoming discussions. Stikker had however said Dutch could hardly refuse should Indo insist it be agenda item.

Reuchlin added for my confidential info that Neth Cabinet undecided as to what position it should take re NNG problem (i.e. whether to stand firm or endeavor find compromise solution in discussions with Indo) and is most desirous postponing decision issue until after elections next spring.

Furthermore, cab has thus far been reluctant to sound out feelings Parl to subject. Situation, he concluded circumscribes activities FonOff with consequence latter forced follow do-nothing policy and like Mr. Micawber, hope something favorable will turn up.

During courtesy call yesterday afternoon on Djumhana, acting Indo HICOM,³ he told me he fully expected that Indo delegation headed by Supomo would come here in very near future for negots re revision union charter and that NNG question would be considered. Neth FonOff officials on other hand state they have still to be advised to that effect by Indo Govt and therefore are unable to confirm Djakarta Aneta press reports that Indo delegation will shortly depart. However, they privately state that there is very good chance that it will do so.

Dept pass Djakarta, Canberra. Sent Dept 55, repeated info Djakarta 23, Canberra 7.

TRIMBLE

¹ Otto Reuchlin, Director General of Political Affairs, the Netherlands Ministry of Foreign Affairs.

² Not printed.

³ Dr. Djumhana.

656.56D/11-3051 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, November 30, 1951—7:35 p. m.

PRIORITY

574. Australian Amb¹ called on Acting Sec² today under urgent instructions to request that Dept instruct Amer Amb to Djakarta to use his influence with Indonesian Govt to the end that it not denounce unilaterally Netherlands-Indonesian Union and that it not insist on bringing up for discussion Irian question. Spender stressed Australian concern that if US did not take such action, which had already been taken by UK Govt, Indonesians would draw inference that US not as concerned and that Indonesia would not be subject to US displeasure if it took unilateral action.

Spender stated his Govt believes every effort should be made to "bed down" New Guinea issue as it fears if issue is raised at Hague it may be difficult for Indonesian Govt to back down and only result will be unilateral abrogation Union and possible drastic action in New Guinea by Indonesians.

Ambassador was told US Govt shared Australian concern lest unilateral action be taken and also desired Irian question not be brought to a head at this time. It was pointed out that while in Paris Cochran had advised Subardjo against hasty unilateral action on abrogation of Union and that these sentiments had been repeated by Cochran upon his return to Djakarta. However US Govt did not believe it would be wise at this time to attempt to persuade Indonesians not to raise Irian question at Hague as it was US judgment that such attempt would only result in more intransigent position by Indonesians and probably would lead to unilateral abrogation of Union. Spender was told that in US opinion Indonesian Govt had no illusion about obtaining any immediate favorable result at the Hague on Irian question but that it felt it absolutely necessary at least to discuss matter in order to maintain position in Indonesia. Spender reiterated deep concern his Govt and made final plea that at least US would instruct its Ambassador at Djakarta to keep close watch over situation and do all in his power to prevent matter getting out of hand. Amb was told that US Amb Djakarta was keeping constant and close watch over situation but that US would be willing to inform him of deep Australian concern in this matter. Spender was left under no illusion that US would take parallel action to that of British although he was assured that US had deep interest and concern of safety of the whole South Pacific area including Australia and that while in general

¹ Percy C. Spender.

² James E. Webb.

our aims were similar present problem involved question of tactics and it was here we differed.

Sent to AmEmbassy Djakarta priority 574; rpt to AmEmbassy Canberra 99, The Hague 728.

WEBB

656.56D/12-351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

PRIORITY

DJAKARTA, December 3, 1951—5 p. m.

804. Subardjo called me to his office noon today. He said notes had been recd from Brit and Australian Govts asking Indo not raise Irian question. Furthermore, Subardjo said Neth High Comm Lamping had spoken to him at airport today when they were seeing off Supomo for Hague and Darmasetiawan for Paris. Lamping had told Subardjo Neth Govt unhappy over Indo sending such large del as decided by Indo Govt last week. [Garble] was coming to FonOff at 1 p. m. to discuss this further.

I asked Subardjo if there cld have been any misunderstanding his end as to Stikker "agreeing" to sending of Indo del to discuss both Union and Irian questions. Subardjo explained he had gone from Paris to Hague Nov 22 for specific purpose getting precise answer from Stikker on this question. Stikker had definitely agreed and had said ready receive Indo del any time. Subardjo said however he had told Stikker he wld endeavor keep Indo del to reasonable size. Stikker, as I understand story, wanted five-man del. Subardjo said that while his intention had been to keep group small, pressure from polit parties had made it necessary expand to total about 17, 6 of whom already in Europe. He said Supomo was only member departing today. He contemplates going ahead with plans to despatch remainder as approved by Indo Govt, but will count only five as dels, list five as alternates and remainder as advisers. He thinks it not unreasonable for Indo have del this size considering vital importance to this country of both subjs on agenda and fact mtgs will be held Hague where Neth del has entire Neth Govt, Parliament *et al* available for consultation.

Subardjo adheres to position he has constantly taken with me namely, that failure for Indo now to have opportunity discuss Union and Irian questions with Neth wld lead inevitably to early unilateral Indo actions. He aware US interest in maintenance order and security in Pacific. He believes best method clear up dangerous differences between Indo and Neth is to have full and frank discussions thereon. He realizes difficulty of negots but believe this method offers only chance avoid serious trouble.

Dept pass Canberra; sent Dept 804, rptd The Hague 36, Canberra 5.

COCHRAN

103-GSA/12-451 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, December 4, 1951—5 p. m.

810. For Larson GSA Walsh EPS from Wilson. Mtg today Econ Ministry with Emb representative on rubber contract adjustments heretofore under discussion by Emb and covered by several exchanged cables. Indos acknowledge their commitment contract, accepted dismissal their claim on warehouse fees and storage charges September, also accepted their contract responsibility arranging shipping and placing free on board.

Remaining unsettled item from meeting is price change in contract. This taken under advisement. They requested fixed price arrangement together with floor price. We stood firm on average Singapore market price formula, expressed willingness consider any reasonable proposition on changing time period of determining average price but said in any event we would not consider any formula or mechanism that resulted on more than Singapore market. Govt plantation manager¹ made inconclusive argument on his need for known fixed price even beyond four months periods specified in contract but did not receive support from representatives Econ Ministry. Also argued he wanted floor price to safeguard market price going below his cost of production. We maintained basic price formula of contract and stated Indos must assume their normal risk under contract same as buyer. Examination Singapore Aug average prices indicate more favorable to Indo for last quarter 1951 as provided in contract as against developing new average market price each month.

As meeting broke up plantation manager made his own personal query to effect wld US be willing take Aug average price for six months instead of four or even whole contract term. Replied that if they wanted submit formal question we wld reply but it appeared this wld cancel basic contract average market price and be substitute means of setting fixed price based on Aug average. No doubt idea springs from fear rubber market might go lower. No other Indo member spoke in favor this idea. Offer to waive three percent discount on average price in contract was reemphasized as concession matching their willingness ship only high grade rubber sheets and be package settlement all items.

Believe Emb can conclude shortly remaining question price under contract and cover points in written supplementary memo sheet where necessary. Consider unnecessary my presence further discussion Indos on rubber contract. [Wilson.]

COCHRAN

¹ Mr. Saksomo.

756D.5-MSP/12-551 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 5, 1951—3 p. m.

811. For Rusk from Cochran. Have delayed replying your letter Oct 30¹ recd Washington requesting evaluation US aid program Indo until cld return post and review situation and development after six week's absence US and Europe. Understand urgency now warrants telegraphing.

Original proposal to aid new repub through US grants made by Griffin mission April 1950 with explanation this was one-time operation to break econ bottlenecks. Proposal advanced gratuitously on Amer initiative viewed with Indo skepticism and required considerable insistence for Indo acquiescence even as one-time operation. By time actual imports of ECA farm tools, insecticides, etc began arriving summer 1951, Indo had reached such degree financial recovery that foreign grants not required.

There has been at no time clear-cut definition ECA objectives Indo or consistently through-out program for achieving any aims. Volume of pleas and publicity for continuing and expanding ECA program has grown with influx more personnel. As finan recovery Indo has progressed, ECA has abandoned argument sums involved in its grants were required for or wld accomplish econ impact on country of such wealth and potentialities as Indo. Trend was for a while to stress need for introducing large number doctors and pursuing village-level projects. STEM itself has reported on general infeasibility village-level programs. New tack recently followed of specializing on education which field USIS had already explored exhaustively and into which Emb has been reluctant go further unless and until lack Indo receptivity to our advances might be changed to genuine interest and request for assistance. While successive Indo ministers have avowed interest in US proposals for educational projects, they have failed accept Fulbright or Point IV agreements or otherwise permit implementation of such projects. Recently as Nov 5 Indo Govt formally requested Emb leave more control in govt's hands of still modest program of scholarships, fellowships and visitorships which US Govt financing. Indo Govt has not yet moved to obtain required parl ratification of ECA bilateral agreement signed Oct 1950.

With recent passage MSA, it appears ECA trying enter even further into polit policy field and wld have President declare as new extension US foreign policy that US proposes give particular support for four or five years to newly independent countries to help them stand

¹ Not printed.

on their own feet. Suggestion made at ECA conference Baguio² that initials "ECA" be retained as symbol for operations MSA on SEA rather than converted to designation "MSA" could be interpreted as effort veil from Asian peoples mil character or purpose of assistance or to disregard congressional legislative intent.

On finan side Indo has made great progress in first two years sovereignty, involving important purchases gold, favorable balance payments and approach to balanced budget. Almost half of hundred million dollar Export-Import credit extended Feb 1950 not yet allocated. Recent survey in Indo by Export-Import Bank group on utilization of credit to date and plans for balance resulted in such favorable impression by Export-Import that understand it wld be disposed grant expanded credits to Indo if and when required. With this source credit initiated before Griffin mission entered field and available for reasonable needs country, I see no justification for ECA developing its own loan program. To continue grant aid in face actual finan situation surely cannot be justified. No one can tell these days when crises may come but outlook Indo does not warrant STEM standing by with large sums earmarked for calamities or depressions. They could be taken care of by such facilities as existed prior ECA. Talking with Harri-man³ in Paris well as with top officials Washington, I gained definite impression there would be tremendous demand on available US resources for econ and mil aid to Allies desperately needing it to continue their struggle in our common cause. While amount envisaged by ECA for Indo 1953 not large, still it could be advantageously utilized in areas where real need exists.

To ascertain and weigh any accomplishments ECA Indo, I prefer leave to Dept analysis of reports submitted by STEM to ECA. They are voluminous but cover admittedly small results. Imports of fishing equipment, fertilizers, laboratory apparatus, et cetera may be recd with some appreciation, but are not vitally significant, and could be bought with Indo's own resources. ECA endeavors along public health lines could be consolidated with those of various UN organizations operating Indo or relegated in part to such private organizations as functioned here before war, including Rockefeller.⁴ Indo has had for decades and still retains many Neth technicians on agriculture, forestry, et cetera so this no pioneer field for ECA. UN active in small industries and education, but ECA endeavoring function in same fields.

² For documentation, see pp. 1 ff.

³ W. Averell Harriman, Director, Mutual Security Agency.

⁴ Presumably the reference is to the Rockefeller Foundation.

Line on which helpful services being rendered is that constituted by White engineering survey of harbors, railway facilities, hydroelectric power, telecommunications, mining, civil aviation, et cetera, under two-year contract with Indo Govt financed by ECA. This has provided Indo Govt objective technical assistance on part top flight engineers without polit connections and definitely here at specific request Indos for particular jobs requiring their individual qualifications.

Indo Govt not sufficiently well-organized to work out and absorb extensive aid in manner proposed by ECA. Overworked depts manned by inadequate number of inexperienced and sometimes incapable officials spend much time drawing up projects and providing data called for by ECA and lose face when unable meet requirements or when projects not approved or realized.

Following independent foreign policy Indo Govt embarrassed by ECA program of publicity which emphasizes under-developed character of country and need for aid from great friend. Indo officials from President down have constantly told me any assistance US may see fit to give should be extended in modest fashion with purpose strengthening govt in which we choose have confidence and permitting it acquire increased support from its own country as result improvements accomplished in its name. Emphasizing degree to which US aiding Indo, by repetitive publicity and excessive personnel prominently established in capital, results in leftist criticism of govt. Efforts of ECA economists and planners to infiltrate into Indo Govt and have prominent part in planning and administration increases inherent suspicion on part Indos and gives rise to fear US endeavoring succeed and supplant Neth as colonial power in Indo. STEM itself has discovered and reported to ECA reluctance Indos to use US Govt personnel as advisors.

Under independent foreign policy Indo declined accept aid proffered by Melby mission and desires procure only such mil equipment as it can pay for. Difficulties envisaged if US endeavors publicly to justify continuing aid to Indo as Mil Security Program. It would be unfortunate if modest early US aid to Indo civil police constabulary should now be publicized and tied in with new program under MSA.

Indo especially resents any US endeavor picture Indo as strategic archipelago which US must build up as bastion against communism for protection our own interests. Indos have demonstrated by mass arrests summer 1951 well as by putting down Madiun Commie insurrection 1948 that these repubs are as sincere and effective as any people in suppressing Commie dangers when they become acute. They need no lead from US in this field and do not want either ECA or

USIS make Indo arena for US combatting Commies. Thru Indo decisions and their own efforts much progress made recent months in checking growth Commie-inspired labor organizations, in deterring Chinese diplomats from flooding country, in changing attitude Chinese residents who had accepted People's Repub, and in blocking Commie propaganda in press, schools, clubs, et cetera.

Thru adhering to UN embargo on strategic materials, including tin and rubber to China, and thru signing Jap peace pact San Francisco, present moderate Indo Govt has surely demonstrated trend of polit philosophy in direction free nations. Dept aware of particular feeling that responsible Indo leaders have for US altho they refrain from formalizing statements in assertion thereof. Foregoing can be attributed solely to State Dept policy followed consistently from time of GOC to date.

Am convinced Indo does not require American grant aid. Finan needs can be met from own resources or bankable loans which Indo capable obtaining. Believe prior US official attention should be given to protecting American capital already here and in encouraging Indo develop along econ and other lines that invite and guarantee such investments. Indos themselves beseech me not to contribute to their finan delinquency. They do not want charity. They do not want develop wasteful habits. They want opportunity sell US their products at remunerative prices and obtain our goods at fair prices reciprocally.

Recommend ECA grant aid be stopped as of June 1952 with exception continuation White contract until expiry date January 1953, and such clean up personnel as absolutely essential. Indo knows where and how to hire any foreigners it may require to follow up surveys being made by White engineers and to supplement such technical aid as may be carried on by UN. I feel US Congress being misled if Dept and ECA endeavor justify continuing grants to Indo on any pretense whatever. Would not Congress be most favorably impressed if Dept would take responsibility for reporting one country in SEA that is sufficiently on its feet and sufficiently virile and independent to be able and to desire carve out its own future after its own mind and within its own means. We cannot expect Indo leaders take initiative in saying they do not want ECA aid. I believe however that formula could be jointly worked out with Indos for terminating aid. This might arouse some adverse press criticism, some genuine disappointment and some misunderstanding. I believe nevertheless present period prosperity is propitious time end program and that improvement rather than worsening US-Indo relations would soon ensue.

COCHRAN

856D.2553/12-651 : Telegram

The Acting Secretary of State to the Embassy in Indonesia

CONFIDENTIAL

WASHINGTON, December 6, 1951—5:45 p. m.

597. Ernst, asst to Board Chairman Caltex, called on Lacy yesterday to discuss Indo Govt attitude on revision its "let alone" for exchange control agreements with oil cos. Though Caltex Agreement does not expire until Jan 1, 1953, Ernst stated his co very disturbed by reports from Stanvac, NY, on its negots related to expiration latter's agreement Dec 31 this year. Ernst said he understood Stanvac negotiators departing NY had been given Dec 15 "arrival deadline" by Kuypers. Ernst attributed to Kuypers preponderant responsibility for Indo Govt's actions contrary to oil cos interests, and had intended send special Caltex negotiator to "go over Kuypers head" to higher level Indo officials.

Lacy informed Ernst that Amer Amb has returned Djakarta, is closely fol developments affecting oil cos, and is in touch with high level Indo officials on this matter. Lacy added recent report from Emb (urtel 798 Dec 3)¹ indicate Indos in negotiating frame of mind. It was pointed out Butterworth of Caltex is now in Indo and that it wld probably be advisable Caltex refrain from sending special mission to Djakarta this time, in order avoid appearance of "US oil cos ganging up" on Indos. Ernst stated he was reassured to learn Amb Cochran has returned Djakarta, and that Indo Govt appears to be acting reasonably. He will communicate with Butterworth before recommending Caltex send any special mission.

WEBB

¹ Not here printed.

756C.00/12-751

Memorandum by the Director of the Office of Philippine and Southeast Asian Affairs (Lacy) to the Acting Assistant Secretary of State for Far Eastern Affairs (Allison)

SECRET

[WASHINGTON,] December 7, 1951.

Subject: United States Relationships with the Netherlands, Australia, and Indonesia in Western New Guinea Dispute

Discussion

1. Three powers whose friendship is valuable to the United States have strongly committed themselves on the problem of the political disposition of Western New Guinea. Indonesia claims sovereignty. The Netherlands claims sovereignty. Australia, which administers the eastern half of New Guinea, has indicated it will accept no solution

which provides for Indonesian administration over the western half.

2. In an effort to minimize prejudicing its good relations with any of these three powers over the New Guinea issue, the United States has adopted a position of neutrality and has emphasized the *procedural* aspect of the case, consistently urging that Indonesia and the Netherlands seek a mutually satisfactory settlement through negotiations within the framework of the Round Table Agreements.

3. The value of neutrality in this issue, however, depends upon the value of the negotiations. The Netherlands-Indonesian negotiations, which are understood to have just commenced at the Hague, however, barely reached the starting line and may seriously falter or fail. If this happens, the Department must be prepared to consider the possibility that the welfare of the United States requires a compromise solution to the New Guinea problem unpalatable in varying degree to one or more of the interested powers. This would require the Department to replace its previously held position of neutrality with a positive policy dealing with the *substance* of the issue.

4. The Netherlands is a NATO partner of the United States in Europe. It is no longer an effective power in Southeast Asia, and whatever destroyers or battalions it sends to New Guinea diminish its NATO effectiveness.

5. Australia is a partner with the United States and New Zealand in a Pacific Security Pact.¹ Australia believes that Western New Guinea forms part of its defense perimeter. In the event of war, Australian and United States' defense interests in Southeast Asia would widely overlap, and Australian and U.S. troops would probably be used interchangeably in operations in that area.

6. Indonesia, with its population of 75 million, is the largest country in Southeast Asia and is important both as a source of raw materials and because its landing sites and safe anchorages control the approaches from Asia to Australia and from the Pacific to the Indian oceans. The availability of these resources in time of crisis will be greatly affected by the attitude of the Indonesian Government and people toward America and Australia. In recognition of Indonesia's importance, the United States Government participated in the United Nation's successful efforts to establish an independent Indonesia, as a means of enabling the strong revolutionary forces which sprang up in Indonesia after World War II to find outlet in genuine nationalism instead of Stalinism.

7. The basic relationship of Australia and the Netherlands to the United States has already been determined: a solution of the New

¹ For documentation, see pp. 132 ff.

Guinea problem is important in each case but not decisive. Indonesia's relationship with the United States is still in the balance. Its Government repressed Communists at Madiun and has since taken a series of actions favorable to the United States, but feels strong pressure to pursue an independent policy vis-à-vis Russia and the United States. The political disposition which is made of New Guinea may, for reasons many of which are set forth in Djakarta's telegram 817 of December 6 (Tab A),² have a decisive effect upon the relationship of Indonesia to the United States.

Recommendation:

The Department should recognize that United States interests

- (1) may no longer be served by a position of neutrality if the current Netherlands-Indonesian negotiations fail;
- (2) require a compromise solution which should probably take the following lines:

Indonesia should be given a clear promise of *political* sovereignty over Indonesia [*New Guinea*] in the near future;

The *Netherlands* should receive from Indonesia clearly established *economic* rights and privileges in New Guinea;

Australia should receive recognition and protection of her *security* interests in Western New Guinea;

- (3) require that the Department prepare a substantive policy within the above framework and study the methods by which it may be put into effect.

² Not here printed; in telegram 817 from Djakarta, December 6, Ambassador Cochran recapitulated a conversation which he had had earlier that day with President Sukarno, who urged a rapid and satisfactory settlement of the Union Statute and Netherlands New Guinea issues. Otherwise, the President averred, the Indonesian Parliament would probably vote a unilateral denunciation of the union; if the present government opposed such a move, it undoubtedly would fall from power; and any successor cabinet would be more to the Left politically. Ambassador Cochran commented privately that if Indonesia did resort to unilateral action and thereby incurred the ill will of the West, the United States and her allies might receive an equally strong reciprocal reaction from Indonesia. The net result, he said, might be to lose an essential link in an eventual Pacific security chain. In conclusion, the Ambassador warned the Department that to prevent such possible eventualities, the United States should be prepared to change its position on Netherlands New Guinea in order to accommodate Indonesia at the expense of America's other friends, the Netherlands and Australia. (656.56D/12-651)

103-GSA/12-851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, December 8, 1951—8 p. m.

832. For Larson GSA from Wilson. Further meeting today Wilopo Min Econ and Djuanda Vice Chairman Cabinet Komite Fin and Econ with Ambassador on disputed items rubber contract. Wilopo restated

contract wld be honored. Indicated govt plantation only produced 70 percent of contracted 1200 tons monthly in high grade rubbers and that they had been compelled buy additional high grade sheets in market to try fulfill contract amount. All points in dispute cleared except price. On this they hope give answer soon. We stood firm on nothing above market price. We urged they likewise dismiss price item since they understand August average prices are more favorable to them with record of declining market. They will finalize with Ambassador. [Wilson.]

COCHRAN

Secretary of State's Files : Lot 53 D 444, Box 419

Memorandum of Conversation, by the Acting Secretary of State

SECRET

[WASHINGTON,] December 10, 1951.

Subject: Call of the Australian Minister of External Affairs, Mr. Richard G. Casey, December 10, 1951

Participants: Mr. Richard G. Casey, Australian Minister of External Affairs

Mr. Percy C. Spender, Australian Ambassador

U—Mr. Webb

EUR—Mr. Bonbright ¹

BNA—Mr. Shullaw ²

The Australian Minister of External Affairs, Mr. Richard G. Casey, called on me today accompanied by Ambassador Spender. I told Mr. Casey we were very pleased that he had found it possible to stop in Washington on his return to Australia and that we appreciated having an opportunity to get his views on current world problems. I remarked that we felt very close to Australia and deeply appreciated the way in which Australia has shouldered responsibilities in Korea where Australian forces have been in action since the beginning of hostilities. I also expressed appreciation for Australia's recent decision to double its ground forces in Korea.

Mr. Casey thanked me for my remarks and said that he wished to make some comments on several subjects of particular interest to his government. He began by reviewing the role Australia had played in the formulation of the Colombo Plan of economic and technical assistance for South and Southeast Asia. He said that so far only India, Pakistan, Ceylon and British territories in Southeast Asia were par-

¹ James C. H. Bonbright, Deputy Assistant Secretary of State for European Affairs.

² J. Harold Shullaw, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs.

ticipating in the plan but that it was Australia's hope other countries in Southeast Asia would also come in. He said that two factors apparently were causing these governments to hold back. The first was the fear that in some way their participation in the Colombo Plan might result in their losing American assistance, which of course was on a much larger scale than anything they could hope to get from the countries participating in the Colombo Plan. The other factor was the continuing fear that colonialism might come back into the area through the medium of the Colombo Plan. Mr. Casey expressed the hope that we would find it possible to counteract these fears. He said that reassurances from Australia would obviously carry less weight in these countries than similar reassurances from the United States.

Mr. Casey continued his remarks on Southeast Asia by saying that in World War II Australia had been able to cover virtually the entire area of Southeast Asia in its foreign relations through Great Britain, France and the Netherlands. To meet the changed situation Australia is doing everything possible to improve its relations with the new governments in the area. Australian participation in the Colombo Plan is an expression of this interest.

Mr. Casey said that Australia had one extremely important problem in its relations with Indonesia which could destroy the whole basis for friendly and cooperative relations between Australia and Indonesia. This was the question of the future political status of Netherlands New Guinea. He said he had warned the Indonesians both at Djakarta and at Paris that if they persist in their agitation on this question they may destroy the whole fabric of Indonesian-Australian relations which were far more important to Indonesia than Netherlands New Guinea. Mr. Casey said that New Guinea would require millions of pounds to develop and that at the present time it has little value to Indonesia. Indonesia, he said, had built up the dispute with the Netherlands over the status of the territory into a prestige question. He added that the agitation in Indonesia for the territory was the work of a few demagogues, and he minimized the strength of public opinion in Indonesia on this issue.

Mr. Casey said that Australia was firmly opposed to Indonesia's gaining control of Netherlands New Guinea whether by unilateral action or as the result of agreement between the Netherlands and Indonesia. He said that such a development could result in the fall of the present Australian Government and the return to power of Dr. Evatt.³ He added that there would be strong pressure on his

³ Dr. H. V. Evatt, formerly Australian Minister of External Affairs in the previous Labor government.

government to take action if Indonesia appeared to be about to move into the territory. Mr. Spender was more specific in suggesting that such action by Indonesia might be countered by the use of force by Australia.

Mr. Casey stated that Australia believes it is important that the New Guinea question be placed on ice for the time being. Mr. Spender remarked at this point that, he feared Ambassador Cochran's reiterated suggestions that the two parties should attempt to resolve their differences through bilateral negotiations had the effect, however unintentional, of bringing pressure to bear on the Netherlands to make further concessions.

I told Mr. Casey that I was sorry we had been unable to take the action requested by his government last week, namely that we ask the Indonesian government not to press for discussion of the New Guinea question at the Hague Conference. I explained that in our judgment such an approach would only have had the effect of making the Indonesians more adamant. We believed, furthermore, that to deny the Indonesians an opportunity to raise the question would have increased the possibility of their taking unilateral action. I told Mr. Casey that I appreciated having his views on this question and that they would receive careful consideration.

756D.5-MSP/12-1151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY DJAKARTA, December 11, 1951—2 p. m.

846. Recd A-110 Dec 5. Discussed it seventh with Hawkins¹ in absence ECA chief Hayes. Hawkins stated STEM shld not proceed with their plan of submitting excerpts from Ecato 879 guaranties² to Indo coordinating comite. Neither STEM nor Emb had commented to Wash on Ecato 879 and I felt entire negot with respect this complicated phase MSA act shld be left Wash. On seventh requested repeat Deptel 2963 to Paris³ and recd this tenth. Immediately sought appointment with FonMin Subardjo.

On afternoon tenth tried out draft note on Minister Djuanda to whom I frequently look for objective estimate govt position and for support within Cabinet. He quickly picked out point three of para one as entirely unacceptable to Indos.

¹ Everett D. Hawkins, Program Planning Officer, STEM Mission in Indonesia.

² Not here printed.

³ See footnote 3, p. 730.

Was recd by FonMin Subardjo morning eleventh. Reviewed existing arrangements under which Indo receiving constabulary equipment and econ aid and explained MSA legis and necessity for exchange of notes with Indo. I handed Subardjo copy draft note as set forth A-110 and went over various provisions thereof with him. We will be obliged eliminate point three para one and also make revision suggested by Dept in wording point six of para one. Effort will be made however to get Indo acceptance of assurances under 511 (a) rather than (b). Important reason for this is that particularly bad impression wld now be created if we obliged Indos commence paying for balance long promised constabulary equipment. Subardjo explained that milit equipment which he and Ali have discussed with Dept wld be sought strictly on reimbursable basis.

Subardjo will have to consult with PriMin and perhaps entire Cabinet on matter exchange of notes. He thinks it will not be necessary however to seek Parliament ratification of such exchange. It will probably be necessary use in para four language "Govt of Indo considers aforementioned econ cooperation agreement fully effective." This substitution wld be required since Indo Govt considers Parliament ratification ECA bilateral obligatory and no opportunity therefor prior latter half Jan since Parliament recessed Dec 2 and will not reconvene until Jan 15. Subardjo understands urgency consummating exchange notes and promised he wld endeavor expedite.⁴

COCHRAN

⁴ The Department of State, in telegram 654 to Djakarta, December 20, informed Ambassador Cochran that he could make the changes which he had suggested in paragraphs 1 and 4 of the draft note sent to him in airgram 110, November 23, p. 729. (756D.5-MSP/12-1151)

756D.5-MSP/12-1151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, December 11, 1951—5 p. m.

848. Deptel 602.¹ I discussed with FonMin Subardjo today question US providing Indo with mil equipment. Subardjo said he was requesting Indo mil auths provide description and quantities of items needed. He said such aid wld be sought on reimbursable basis.

COCHRAN

¹ Not here printed; the Department of State, in telegram 602 to Djakarta, December 7, merely repeated the contents of telegram 2963 to Paris, November 16 (601.56D11/12-751). For the gist of this telegram sent to Paris, see footnote 3, p. 730.

356D.2553/12-1151: Telegram

The Acting Secretary of State to the Embassy in Indonesia

SECRET

WASHINGTON, December 11, 1951—5:56 p. m.

614. Stanvac reps Collings,¹ Board Chairman,² and Prioleau, Vice Pres,³ held two hour discussion today with Lacy and Coerr PSA and Eakens PED⁴ in situation Stanvac facing as result Indo Govt proposal described in State Mining Comm *Aide-Mémoire* to Gibbon⁵ Nov 10 (Deptel 558 Nov 27).⁶ This proposal 1) wld refuse renewal Stanvac "let alone" agreement expiring Dec 31, thereby making co "adhere to all legal requirements applied to other producers export goods"; 2) wld apply formula Govt to receive 65 and co 35 percent Stanvac gross profits Indo operations.

Collings said divergent opinions held at present by two Stanvac parent cos: Standard Oil of New Jersey, with predominant interests NE, emphasizes Indo accts for only about one percent world crude production, and tends believe co if forced accept less than 50-50 formula shld liquidate Indo operations: Socony with proportionately heavier interests Indo, more disposed attempt continue operations there, recognizes Indo Govt has in effect been receiving about 60 percent Stanvac profits, and considers it wld be unrealistic try force Govt now cut its share to 50 percent.

Stanvac objects particularly to provisions Indo proposal which 1) wld give Govt right to fix export price, after consultation with co; 2) wld require co export at Rupiah 7.60 equals \$1.00 while importing, through compliance "import certificate procedure", at Rupiah 11.40 to \$1.00; 3) wld give Indo Govt auth control, by export license system, destination of petroleum exports. On later point Lacy made it clear US wld take up on govt to govt basis any Indo move toward shipping oil to CCPR or similar undesirable destination.

Stanvac disturbed by possibility Indo Govt may insist Stanvac Production Co which is now Dutch shld become Indo (process which under Dutch law wld require co pay severe liquidation tax), and especially by alleged statement Indo official to Gibbon that 65-35 formula final and "not negotiable".

Stanvac sending Leibacher⁷ ETA Djakarta Dec 14 in deference importance apparently attached by Indos to Dec 15 as starting date

¹ L. V. Collings, Vice President.

² Philo W. Parker.

³ Harry F. Prioleau.

⁴ Robert H. S. Eakens, Chief, Petroleum Policy Staff, Department of State.

⁵ H. A. Gibbon, General Manager of Stanvac in Indonesia.

⁶ Not here printed.

⁷ E. N. Leibacher, Standard Vacuum Oil Company Director and member of its Indonesian Coordination Department.

negots. Prioleau ETA Dec 20 with intention see Hatta, preferably without attendance other Indo Official, but together with Wilopo if Indos insist. Stanvac hopes after you have talked with Leibacher you may your discretion see Hatta "to pave way" for Prioleau. Latter, incidentally, believes Kuypers "is big fly in this ointment". Co reps hope "educate" Hatta and other officials to see broad area mutual interest of Indo Govt and Stanvac in latter's operations.

Collings states co considering counter proposal along fol lines: 1) co to be subj all laws except import certificate system and except Govt control destination exports; 2) co to pay fixed production tax per barrel and other taxes which "cld work out at about 58 percent" for Govt; 3) co to refuse accept any publicly proclaimed percentage formula prejudicial its operations other countries.

In view complexity problem and wide disparity initial positions of Govt and co, Stanvac very pessimistic re chances reach final agreement before Dec 31. In such case Stanvac plans suggest interim agreement whereby 1) negots wld continue toward mutually satis final agreement; 2) operations wld continue, preferably with extension current privileges, or alternatively under full or partial effect Indo laws, subj future adjustment retroactive to Jan 1, 1952 in accordance terms final agreement.

However Stanvac fearful Govt may refuse accept interim agreement and may instead "slap on 65-35 decree" and refuse renew "let alone" agreement. Prioleau states that since co has admittedly amortized its existing investment Indo it cld continue reasonably profitable operations for several years while allowing Govt 65 percent. Collings adds, however, that to operate under 65-35 formula plus complete compliance Indo laws wld mean 80-20 split in favor Govt which wld require rapid liquidation operations (maximum exploitation only of known reserves and complete cessation new exploration).

Stanvac reps aware popular appeal Indo "65-35" slogan and have instructed co public relations off study methods achieve counterbalancing popular presentation co proposal, and Stanvac operations, in order increase co proposal's acceptability Indo Govt. Both Stanvac and Dept offs agreed on desirability seek solution avoiding if possible use publicly proclaimed formula. In discussing this question Eakens mentioned that in view widely different operating costs and conditions prevailing various petroleum exporting countries Dept has no fixed position as to optimum profit-sharing percentage which shld necessarily prevail in all countries, altho 50-50 div has been generally considered fair all parties.

Dept offs learned from Stanvac that Indo Govt has recently submitted copies its "Stanvac" proposal (first para tel) to Caltex and Royal Dutch Shell (BPM). Co interprets this action as evidence Indo Govt decided handle matter on "industry, wide basis". Shell and

Caltex consulting closely with Stanvac in recognition latter's role as significant guinea pig. Dept off's recognized industry-wide aspects Stanvac problem but suggested advisability independent actions wherever feasible by Amer cos in view possibly mounting Indo-Dutch tension.

Lacy states Sukiman Govt has been showing itself to be cool-headed and pragmatic in business matters, and an "Iranian" development is probably unlikely unless Indo Govt taken over by group much further to left. He stated he doubts Indo Govt will "slap on decree" and full impact all laws Jan 1, and added that you of course are doing everything your power and discretion to keep Indos in negotiating frame of mind. Prioleau said Stanvac thinks "Cochran can do it if anybody can."

WEBB

PSA Files: Lot 54 D 316, Box 1753

Memorandum of Conversation, by the Officer in Charge, Swiss and Benelux Affairs (Scott)

SECRET

[WASHINGTON,] December 12, 1951.

Subject: Netherlands New Guinea

Participants: G—Mr. Matthews
FE—Mr. Allison
EUR—Mr. Bonbright
PSA—Mr. Lacy
WE—Mr. Scott

Following is a summary of the discussion in Mr. Matthews' office on December 12 regarding Netherlands New Guinea.

Mr. Allison and Mr. Lacy briefly reviewed the growth of Indonesia's determination to acquire sovereignty over Netherlands New Guinea. It was pointed out that Indonesian authorities had come to regard their acquisition of sovereignty over this territory as necessary to the completion of their independence movement. For this and possibly for other reasons, it now appeared that the stability of the present or any future moderate government in Indonesia could be jeopardized by failure to acquire sovereignty over Netherlands New Guinea within a reasonable time.

Over against this, it was pointed out that there was no real hope that the present Netherlands Government, faced with general elections next Spring, could accede to Indonesian demands for western New Guinea. Although it is expected that the government which comes into being following the elections next Spring will have pretty much the same composition as the present Government, it would nevertheless be more

possible then than it is now to get the Dutch to consider a compromise solution for the New Guinea issue.

The Australian interest in the determination of the future status of western New Guinea was discussed, and it was observed that from the point of view of security, Australia probably has more of a vital interest in the future status of western New Guinea than have the Dutch. It was nevertheless noted that from the Dutch point of view, this was a prestige issue and was thus real enough to prevent their taking any action at the present time to accommodate the Indonesians.

Mr. Allison and Mr. Lacy thought the time was approaching when we should consider the desirability of taking a substantive position regarding the disposition of western New Guinea. It was recalled that since March 30, 1950, our position had been one of strict neutrality, namely, that the New Guinea question was one to be settled by negotiations between the Dutch and Indonesians as provided in the Round Table Conference Agreements which transferred sovereignty over Indonesia. Prior to March 30, 1950, we had favored Dutch administration of the territory, possibly in the form of a United Nations Trusteeship, and had so informed the Dutch and the Australians. We did not so inform the Indonesians.

The argument was put forward that if the present moderate Government in Indonesia could acquire sovereignty over western New Guinea, this would increase the Government's prestige and thus add to its stability. Conversely, it was also argued that if it were not successful in its efforts, the present Government might be succeeded by a radical and leftist government. Against this argument it was noted that our Australian and Dutch friends continued to worry over the possibility that, even if Indonesia were now to acquire sovereignty over western New Guinea, a radical, leftist government might still at some later date come into power in Indonesia for some now unforeseeable reason. To this, Mr. Lacy replied that it was up to the United States to see to it that this did not happen.

It was agreed that for the time being we should use our influence with both parties, the Dutch and the Indonesians, to avoid a head-on collision over the New Guinea issue; in other words, to continue more effectively, if possible, present United States policy aimed at encouraging both sides to arrive at a mutually acceptable solution through negotiation.

It was also agreed that we should study the possibility of suggesting at an appropriate time, after Dutch elections, a substantive solution. It appeared that what the Dutch seem primarily to want in New Guinea is security for the development of their commercial interests in the area and that what the Indonesians seemed to want is some sort of *pro forma* sovereignty. These primary concerns of the Dutch and the Indonesians did not appear to be mutually exclusive. This sug-

gested the possibility that one of the solutions the Department might study would be a trusteeship arrangement under which Dutch and other commercial interests in New Guinea could be guaranteed over a reasonable period of years and at the same time Indonesia could be provided with sufficient evidence of ultimate sovereignty over western New Guinea to meet its minimum demand. It was recognized, however, that while such an arrangement might eventually take care of Dutch and Indonesian interests, it was not clear that it would take care of Australia's primary concern regarding security.

856D.2553/12-1351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 13, 1951—5 p. m.

855. Gibbon called twelfth. He let me know Leibacher arriving alone about fifteenth. Said he had managed get Roem¹ postpone mtg. his mining comm from thirteenth until eighteenth, fearing that before Leibacher cld be consulted, comm might take definitive decision on recommendation it wld make to govt.

Roem lunched with me alone today. I told him of encouraging Indo picture I had given to my govt and also to active and prospective private investors during my recent visit to US. I told him I had been genuinely sincere in assuring my people American capital wld be given square deal in Indo if such capital gave govt square deal on profits and did not exploit labor. I said Hatta had confirmed to me few days ago I was correct on this assumption.

I told Roem I now understood his comm was working on certain studies that might lead to recommendations to his govt. I expressed confidence he wld be just as fair and sound in his new position as he and Hatta had always been in their relations with us. I assumed no definitive position wld be taken on Stanvac matter by his comm until at least Leibacher had arrived and had time for consultation with Gibbon and either one or both of them then had opportunity for further discussion with comm.

Roem made point his comm had already had Gibbon and his local associates in on several mtgs and thought situation had been explained fully to them. I responded it was not simply case of Indo govt giving explanation from its side. I said it vital responsible official from Stanvac hdqrs New York be here and have opportunity present views in answer to any plan being considered for recommendation by comm before comm's report submitted. I recalled to Roem how difficult we

¹ Mohammad Rum, previously the Minister for Foreign Affairs in the Natsir Cabinet.

used to find it in our UNCI negots when one side took entrenched position. I urged full exchange of views and extreme patience in negot before any definite plan shld be evolved. He agreed to desirability such procedure. He definitely promised no action wld be taken before Leibacher arrives and comm has benefit his views after he brought to date on situation by Gibbon.² Re Deptel 614.³

Incidentally Roem, who has travelled extensively Indo past few months, said he was gratified find unmistakable evidence Commie influence in labor movement declining. He cited growth anti SOBSI union of oil workers until it now numbers around 26,000 out of total 50,000 workers. He said similar trend among Chinese, definitely away from Commie side. He said one of his Chi informants warned him however that Chi Commies still infiltrating dangerously.

COCHRAN

² In telegram 622 to Djakarta, December 13, the Department of State told Ambassador Cochran that Mr. Prioleau would not arrive in Djakarta until December 18, at the earliest. However, Mr. Prioleau hoped that the Ambassador would hold his conversation with Dr. Hatta in an effort to soften the Indonesian position which Mr. Leibacher would have to confront in the meeting scheduled for December 18. (856D.2553/12-1351)

³ Dated December 11, p. 751.

Djakarta Embassy File : Lot 59 F 208, Box 507

*The Ambassador in Indonesia (Cochran) to the Chief of Police,
Republic of Indonesia (Sukanto)*

SECRET

DJAKARTA, December 14, 1951.

DEAR GENERAL SUKANTO: With reference to your memorandum of September 24¹ concerning an extension of the training program for certain members of the Indonesian National Police, the United States Government regrets that it is not possible for the training program to be continued on the same basis as formerly, that is, through the sending of groups of police officers to the United States for formal police indoctrination and training.

However, because of the United States Government's gratification at the vigorous measures which have recently been taken by the Indonesian Government, and particularly its security forces, to apprehend dissident elements, and because of the very real progress being made by the Indonesian Civil Police, it is believed that some extension of United States assistance, in the form of technical and professional training to Indonesian Police and Security officers would be mutually beneficial to our two governments. Accordingly, the United States

¹ Not here printed ; see footnote 3, p. 704.

Government is prepared to consider the training, on a limited basis and over a period of time, of a few selected officers in highly specialized fields, particularly of a technical nature, and primarily in internal security and intelligence techniques of the nature requested in paragraph (d) of your memorandum. The emphasis in this program would be to select carefully the individuals to be given the initial instruction to insure that they will be in the best possible position to accomplish further training among the Indonesians. This training will be carried on in Indonesia and in the United States, depending upon the individual requirements and available facilities. It is expected that these officers, after their own training, would engage in instructional and training activities rather than in actual operations or in the performance of police functions.

In order to initiate this specialized instruction program, it is proposed to select two officers to begin a course in the spring of 1952. The experience gained in the training of these first two officers, particularly the subjects which are found to be most useful and appropriate and the amount of instruction required and absorbed, will permit a judgment as to the mutual benefit to our two Governments to be derived from further training of this kind, and will serve as a guide to the development of courses for additional officers to be selected.

I am prepared to name an officer on my staff to be responsible for working with the Indonesian Government in the matter of selecting trainees, the development of training courses suited to the individuals selected, and the carrying out of other functions designed to assist in the furtherance of this program.

Very truly yours,

H. MERLE COCHRAN

856D.2553/12-1751: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

PRIORITY

DJAKARTA, December 17, 1951—6 p. m.

872. Leibacher arrived evening 16th. He and Gibbon called 8 a. m., 17th. We reviewed situation and agreed I shld make first move by calling on Vice Pres Hatta.

I was recd by Hatta 10 a. m. I reminded him of report I made him on November 29 of my visit to US, and particularly assurances I had given my govt. Both active and prospective US investors [promised?] that Amer capital wld be given square deal in Indo if such capital gave govt square deal on profits and did not exploit labor (Embtel 855). I told Hatta test this relationship now arising in connection agreement

to be reached between Indo Govt and Stanvac as latter's "let alone" arrangement expires December 31.

I told Hatta very pleasant rels existed between local Stanvac group and Indo officials incl Roem, head of Mining Comm. I said that in Gibbon's conversations with Roem on new arrangement former saw problems of such significance arising that he felt New York hdqrs shld despatch one or two high officials for consultation. Consequently I had spoken with Econ Min Wilopo and also with Roem seeking deferment of any crystallization of plans or mtgs toward that end until Stanvac officials might arrive, have opportunity for full consultation with Gibbon, and then one or all of them meet with appropriate Indo group.

I told Hatta that Leibacher had arrived and he and Gibbon had discussed sitn with me this morning. I told Hatta Stanvac always dealt directly with Indo Govt and rels had been so pleasant and orderly there had never been reason for Emb to intercede. I said my entrance into picture now came from fact arrangement to be negotiated with Stanvac in Indo may not only set pattern for it and other Amer investors Indo but might have important repercussions upon arrangements which Amer investors have made with sanction or support US Govt in various areas of world.

I showed Hatta Dept A-121 of December 7¹ summarizing arrangements for surrender of fon exch and share of profits by Amer oil companies in several different countries. I expressed sincere hope Hatta wld make sure Indo Govt did not exact agreement from Stanvac, or insert in any letter or memo to Stanvac, a fixed requirement for division of profits above 50-50 level. I said Stanvac felt strongly that if 65-35 proportion which Roem had mentioned shld be published, it wld have most deleterious result in Stanvac rels with other govts, and might lead to liquidation interests Indo. I said that mentioning any proportion above 50-50 in even a secret communication wld be dangerous since these things usually leak and trouble ensues.

I recommended Roem refrain from fixing date on which definition decision and recommendation to govt wld be made. I saw no need for any deadline altho I did recognize "let alone" agreement expires end December. I suggested Gibbon with benefit presence and advice Prioleau and Leibacher continue exchange of info and ideas with Roem and other Indo officials with view to reaching provisional agreement soonest. Since Indo Govt has informed Shell and Caltex of plans for Stanvac arrangement, I thought provisional arrangement shld be followed in January by negots with entire oil industry. If this impossible, provisional arrangement cld be supplanted by long

¹ Not printed.

term arrangement worked out at least with Stanvac in absence pressure now obtaining. I said arrangement so consummated cld be made retroactive to January 1.

I did not endeavor discuss fairness of present tax and other charges borne by Stanvac. I did make point, however, that Stanvac anxious expand base of production since demand for petroleum products in this area during past year increased over 21 percent and Stanvac believes it advantageous to Indo retain its rank among world producers thru development to meet increased demands. I left to Stanvac to demonstrate whether present Indo tax load may be too heavy to permit them expand. My immediate concern was to see an arrangement negotiated which wld not force Stanvac toward liquidation rather than expansion; wld not deter Caltex from proceeding with immense disbursements it contemplates for developing its undertakings; and wld not discourage fon capital in general, and Amer in particular, from participating in much needed econ development Indo.

Hatta promised confer with Wilopo and Roem today and "see what he cld". I expressed confidence in and appreciation of his support. When I recalled that Hatta had not met Prioleau, he indicated willingness receive him any time after Tues² when he will be absent. Have informed Leibacher and Gibbon of above conversation.

Dept pls inform Seitz.³

COCHRAN

² December 18.

³ H. F. Seitz, Washington Representative, Standard Vacuum Oil Company.

756D.5-MSP/12-1751

Mr. Robert Blum, Special Assistant to the Assistant Administrator for Programs, Economic Cooperation Administration (Cleveland) to the Acting Assistant Secretary of State for Far Eastern Affairs (Allison)

CONFIDENTIAL

WASHINGTON, December 17, 1951.

DEAR MR. ALLISON: A few days ago, at the conclusion of our brief conversation about ECA aid to Indonesia, you suggested that I write you an informal letter setting forth the points I had raised and the reasons for ECA's recommendations regarding continued technical and economic aid for Indonesia. I agreed to do this, and I know you appreciate that this letter is quite informal, although naturally it reflects the discussions I have had in ECA. You and I agreed, however, that such a letter might help you in developing, as soon as possible, a firm position on this question within the Department of State.

We have recognized from the beginning the special circumstances that prevail in Indonesia and that affect the nature and scope of our aid program there. It has certainly never been, nor is it now, our intention to force our program on a country which is capable of adequate technical and economic development without our aid or which does not want that aid. We do not, however, feel that because of Indonesia's great natural wealth and presently favorable balance of payments, the country is not really in need of ECA aid. It is perfectly true that the Indonesians have sufficient foreign currency available to buy commodities abroad and to obtain the services of foreign technicians and specialists. It is equally true, however, that due to their lack of technical and administrative know-how the Indonesians are insufficiently equipped to solve, without outside assistance and encouragement, the administrative, economic and educational problems with which they are faced. It is possible that in the long run Indonesia would develop, even without ECA assistance, the skills and knowledge needed to overcome the present underdevelopment of the country. In view of the present critical world situation, however, and the Communist efforts to spread their influence in Southeast Asia, the time element is of great importance. The U.S. should, therefore, do everything in its power to speed the consolidation of this, the fifth largest nation in the world.

It is true that the Indonesians have been slow to accustom themselves to working with the U.S. in economic and technical matters. This is a type of difficulty we have had to face and overcome in other countries of Southeast Asia, for example, in Burma where an initial reluctance has given way to wholehearted cooperation. To overcome this difficulty requires tact and patience but does not mean that the program should be stopped or seriously weakened. Indonesian reluctance has been largely due to the fact that the administrative apparatus of the country is still too deficient to accomplish smoothly the various administrative tasks resulting from the aid program. Thus, this program, if tactfully managed, will help give the Indonesians the very experience they need instead of being a burden and an embarrassment. I think it can also be demonstrated that, while foreign aid in general is still a delicate question in Indonesia, there has been growing interest and even enthusiasm with regard to specific projects. While, for example, in the Public Health field, Indonesia at first was most reluctant to accept U.S. medical personnel, they are now eager to retain the ECA nurses who have proved useful. Indonesia is also continuously increasing the number of requests for ECA-financed training of its citizens in the U.S. I therefore feel that it would be defeatist to abolish or cripple the program just at a time when many of the initial difficulties are being overcome.

It is possible that some Indonesians, especially communists and fellow-travelers, would be delighted to see the end of ECA aid for Indonesia. It is even possible that, in moments of irritation, some leaders who are neither communists nor fellow-travelers may express privately the opinion that the advantages accruing to Indonesia through ECA aid are hardly worth the trouble that we cause them. If, however, one were to put the clear-cut question, whether the Indonesians would actually welcome the ending or reduction of our aid program, I think the answer would be negative. The Government and people would undoubtedly be resentful if Indonesia alone of all the Southeast Asia countries were to be excluded from the ECA program or have its share of aid reduced. Indonesian misgivings about our aid would hardly be diminished by a mere reduction in the amount of dollars made available to them, as such a reduction would merely mean that the advantages of our aid would decrease while the irritations would still remain.

In receiving ECA aid, Indonesia has accepted another tie with the free West, a tie which in the long run will help pull the country away from the Red orbit. Although I hesitate to express an opinion on the broader political implications of the aid program, I cannot help but feel that the reduction of our aid, without compelling reason, would weaken rather than strengthen America's position in Indonesia just at a time when such a sign of withdrawal would be most welcome to the Communists.

In spite of these considerations and in order to see how the views of the State Department might be met, we have re-examined the \$11.5 million FY 53 program submitted to the Bureau of the Budget in order to see whether it could be reduced to an amount at least no greater than the present program of \$8 million. The results are shown in the attached tabulations¹ which correspond to those in our original submission. Instead of making an arbitrary across-the-board cut, we have tried to distribute the reduction among the various suggested projects in such a manner that what remains will still be an organic and balanced program.

Almost one-half of the total reduction has been taken out of the amount budgeted in the original program for agriculture. While an attempt was made to distribute the loss among the various projects in that category, the overall goal of a substantial saving of dollars could only be reached by paring down each of the three largest projects in Agriculture by 40 to 60 percent. The particularly promising and important project of aid for the irrigation and reclamation of potential rice-growing areas in Borneo was reduced from \$800,000 to \$400,000. The item of \$900,000 budgeted to provide refrigeration equipment for

¹ Not printed.

the fishing industry was cut down to \$400,000, although such equipment for the fishing industry was to have been one of the salient features of the FY 53 program. Instead of \$750,000 only \$300,000 would be available under the \$8 million program to obtain processing equipment for rubber-growing smallholders, who today have to sell badly processed rubber to Chinese merchants making disproportionately large profits from processing. \$400,000 were taken out of the Public Health category, which means, among other things, complete elimination of the important floating clinics project. The category of Transportation, Power and Other Public Works was reduced by more than 50 percent, leaving only small sums for the entire category. Education was deprived of \$500,000, or one-third of the amount originally proposed, and even the Public Administration category, perhaps the most important one, considering the enormous shortcomings now prevalent in Indonesia in that field, was reduced from \$1,695,000 to \$1,350,000.

While it can hardly be said that these savings would be meaningful from the point of view of the American taxpayer, considering the magnitude of our foreign aid appropriations, the reduction is certainly a very serious one for the effectiveness of the program itself. The amounts budgeted in the \$8 million program for the various categories and for the individual projects are very small compared with the goals to be attained. Any further reduction would not only cripple the program and cause certain projects to be thrown out entirely, but would have an adverse political effect that would be most undesirable. Our whole aid effort would risk appearing economically and politically meaningless. I am also afraid that such further reductions, instead of creating a better atmosphere between Indonesia and the U.S. would on the contrary embitter the Indonesians. For this reason I do not think reductions below \$8 million, if they are to be considered at all, should be decided upon unilaterally by the United States, but only if consultation with the Indonesian Government should demonstrate that they are desirable.

I hope that this informal note will be helpful and that the State Department and ECA will be able to arrive at an early agreement on this controversial matter.

Sincerely yours,

ROBERT BLUM

656.56D/12-1951 : Telegram

The Chargé in the Netherlands (Trimble) to the Secretary of State

SECRET

THE HAGUE, December 19, 1951—1 p. m.

616. During conversation with me yesterday Supomo said Indo had replied Dutch note mentioned Embtel 604, Dec 14¹ and were now

¹ Not printed.

awaiting Dutch answer. Assuming this was satisfactory, it should be possible commence talks within few days. Indo note he indicated had restated Indo intention that Irian issue should be discussed along with that of union charter, and he seemed fairly confident Dutch would agree to this proposal. Supomo continued that initial contact with members Neth del had been congenial and he seemed fairly hopeful that negot would be conducted in relatively friendly atmosphere. Once talks have officially started, he thought delegations would be broken down into at least two sub-committees, one for union charter and other for Irian with possibility third for econ and financial questions. Although dealing with separate subjects, sub-committees would naturally keep in close touch with one another. He said he hoped talks could be concluded sometime in Jan, asserting in this connection that irrespective whether or not this could be done, Indo del intends return Djakarta end that month.

Supomo said it was highly important from domestic political standpoint that Dutch agree to Indo sovereignty over Irian. Left-wing and ultra-nationalistic elements in Indo have been attacking govt on this issue and satisfactory settlement therefore required to strengthen govt's position. Once this were accomplished extremists would have no further grounds criticize govt. Re Neth attitude on question, Supomo indicated full awareness Dutch desire postpone decision until after election. Indo, however, oppose Dutch delay and have every intention pressing for early settlement. He felt Dutch socialists would favor Indo sovereignty over Irian and that Amsterdam financial circles hold same view. On other hand, he had not encountered any sympathy Indo position among other Dutch political groups.

In reply my inquiry Supomo stated Indo do not contemplate any preferential tariff arrangements in future agreements with Dutch. Indo would, however, welcome Dutch capital as well as that other countries such as US and Australia development Indo economy including that of Irian. I mentioned contracts recently negot between India Govt and US and GB oil companies under which India reportedly agree not to nationalize latter's refineries for at least 25 years and asked whether Indo Govt would follow similar policy re present or future foreign investments in Indo. Supomo gave evasive reply to effect Indo considered it necessary nationalize certain fields activity such as transport banking and public utilities but would not take such action re other industries except where in national interest and in such cases would naturally compensate owners. He added in this connection Indo Govt not planning nationalize US oil properties. Situation somewhat different in Irian which is largely undeveloped area and therefore once Indo sovereignty recognized his govt would be

prepared give Dutch and other foreign investors for 20-30 year contracts for economic development area.

At conclusion conversation Supomo agreed keep us currently informed developments his negots with Dutch.

Dept pass Djakarta. Sent Dept 616, rptd info Djakarta 28, London 149, Canberra unn.

TRIMBLE

656.56D/12-1951 : Telegram

The Chargé in the Netherlands (Trimble) to the Secretary of State

SECRET

THE HAGUE, December 19, 1951—6 p. m.

619. In conversation with me this afternoon Blom, co-chairman Neth del, confirmed Supomo's statement that progress with Indo temporarily held up pending Dutch reply Indo *aide-mémoire* mentioned Embtel 616, Dec 19, adding however that Supomo has been informally advised re views which will be contained in Neth answer. Although Blom reluctant go into details I gathered Dutch will state *inter alia* willingness include NNG on agenda. Blom stated that in exchanges to date Indo have never taken position that settlement NNG question *sine qua non* to arrangements which might be worked out re union statute. UN also considered unlikely that Indo Govt would abrogate latter unilaterally even though some elements in PNI and extremists would, in his opinion, favor such move.

Blom continued that up until last week he had considered it would be possible to "find satisfactory basis for discussions". Atmosphere less propitious at moment however because of recent incidents in Indo involving seizure arms on Dutch ship destined for Neth forces in NNG and demands for shipping documents relating to freight on Dutch vessels (Blom was not entirely clear as to exact nature such documents but considered demand irregular and probably unjustified). Neth feelings re latter incident further exacerbated by temporary arrest six Neth nationals and two Indo employees Dutch shipping company. Blom said Supomo had been informed that it would be difficult for Dutch to carry on discussions as long as such instances occur and that Lamping also instructed take up matter with Indo Govt. Blom seemed hopeful that above issue would be shortly settled and indicated that meanwhile informal talks with Indo del continued.

Like Supomo, he promised keep us currently informed of developments in discussions.

Dept pass Djakarta. Sent Dept 619, rptd info Djakarta 29, London 151, Canberra unnumbered.

TRIMBLE

S56D.10/12-1951 : Telegram

The Secretary of State to the Embassy in Indonesia

RESTRICTED

WASHINGTON, December 19, 1951—6 : 14 p. m.

649. Eximbank Dec 19 auth allocation \$10 mil finance purchase additional US automotive equipment for Indonesia. About \$4 mil of credit for passenger cars; remainder for trucks and spare parts. When Indos notified of new credit Eximbank will express concern over slow implementation service station allocation first automotive credit and road rehabilitation program and request Indo statement 1952 work plans these fields.

Bank same date also auth allocation \$1.1 mil finance purchase US equipment mechanized forest railroads in Semarang and Bodjonegoro teak districts. Credit will be used for procurement US rails, spikes and small Diesel locomotives.

ACHESON

656.56D/12-2151 : Telegram

The Chargé in the Netherlands (Trimble) to the Secretary of State

SECRET

THE HAGUE, December 21, 1951—5 p. m.

627. 1. Retiring Brit Amb¹ told me that during farewell call on PriMin yesterday Drees had appeared most pessimistic re current Indo Neth discussions. Latter had expressed opinion that Indos apparently not desirous reaching settlement as indicated by fact Indo del constantly "shifting their position". Drees also said Supomo seemingly has no authority to take any decision even of minor nature and must consult Djakarta on every move.

2. During dinner my house two days ago, SecGen PriMin office,² who is also member of Dutch del said he was not concerned about any arrangements which might be entered into re union statute since Indo probably would not observe them in any case and in support this view asserted that Indo had failed to live up to "80 percent" of commitments given RTC agreement. On other hand, he as member of Neth del, would strongly oppose any attempt to transfer sovereignty over NNG to RI, at this time.

3. Austral Amb who saw Stikker Dec 19, said latter far less optimistic than Blom that Indo would refrain unilateral denunciation union statute (Embtel 619 Dec 19). Stikker also informed him that Indo del had been put on notice that substance of discussions could not commence until instances referred to in refel had been satisfactorily settled.

¹ Sir Philip B. B. Nichols.² C. L. W. Fock.

Dept pass Djakarta, sent Dept 627, rptd info Paris 122, Djakarta 3, London 153, Canberra unkn.

TRIMBLE

856D.2553/12-2151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 21, 1951—6 p. m.

900. Prioleau, Leibacher and Gibbon called on me eve 20 to discuss preparation memo which they are to present to Roem's committee Sat morning¹ and to consider what further steps might be taken to prevent committee from going ahead after Sat's mtg with submission of recommendation to govt's fin and econ comite which might contain ref to 65-35 ratio, or otherwise present a plan which Stanvac cld never accept.

I recommended Stanvac spare no effort in including in their proposal detailed arguments which cld help Roem sell their plan to his colleagues but which at time wld unmistakably spell out significance of such move as Roem had originally contemplated and make clear unacceptability thereof. I promised see FonMin Subardjo on Fri to impress upon him polit danger to his govt of letting Roem go ahead with some recommendation to it that oil industry cld not conceivably accept. I thought I shld not appeal to PriMin Sukiman unless and until recommendation by Roem committee unacceptable to Stanvac might be passed to govt and that any resort to Pres Sukarno shld be last appeal from any unfavorable govt position.

Told FonMin Subardjo afternoon 21st of progress conversations in Stanvac matter and particularly of call made on Hatta by Prioleau and myself. I told Subardjo we found Hatta quite sympathetic and understanding. Stanvac reps concerned, however, felt Roem might present initial recommendation of such character Stanvac cld not accept. I sought Subardjo's cooperation toward restraining Roem from taking position which might subsequently embarrass Sukiman Govt.

COCHRAN

¹ December 22.

856D.2553/12-2651 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 26, 1951—2 p. m.

907. Subardjo, Roem, Hanifah¹ and Senator Brewster² among supper guests along with Stanvac and Caltex reps my home 21st.

¹ Abu Hanifah, one of the Masjumi leaders.

² Senator Owen Brewster of Maine.

Thereafter Stanvac memo proposal was handed Roem by Gibbon. Noon 22nd Gibbon came to report on morning session of himself and associates with Roem's Comm. Gibbon said Comm for first time "acted as if somebody had been talking to them".

Had Xmas dinner with Stanvac. They are to submit supplemental letter to Roem's Comm morning 27th. Later in day Comm in person presents its report to finance and econ comite of Cabinet. Prefer leave detailed reporting Stanvac negots to their own messages to head office (shld state, however, Stanvac feels progress made and satis interim arrangement may be achieved in atmosphere conducive to mutual understanding on long term issues).

Ref Deptel 664.³ Gibbon keeping BPM and Caltex informed of negots and will let them know results. Brit Emb in touch with American Embassy. We all agree we shld avoid any semblance triangular diplomatic approach to Indo Govt. BPM looked upon here as Neth rather than Brit. Indo feeling against Neth increasingly aggravated by arms shipments to NNG and by Neth retarding tactics The Hague negots. Serious trouble for Neth may result unless Indos achieve satisfaction.

COCHRAN

³ In telegram 664 to Djakarta, December 22, the Department informed Ambassador Cochran that the British were concerned about the Stanvac negotiations and had requested that the Ambassador keep his British colleague in Djakarta apprised of the situation. Ambassador Cochran was asked to provide this data to the British Embassy in Indonesia. (856D.2553/12-2251)

656.56D/12-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 28, 1951—5 p. m.

920. FonMin Subardjo told me 28th Neth continues make difficult any progress by Supomo and his comm at Hague. Subardjo determined Indo del will not be first to admit impasse. He sees little prospect however of much satis progress being made by Jan 15 which Indo Govt has looked upon as deadline after which policy toward negots wld have to be reviewed.

Subardjo told me he is as strongly against unilateral abrogation as always. He said popular Indo resentment of Neth attitude making position Sukiman Govt difficult. He said he has rapidly growing dossier of evidence on Neth subversive activities East Indo connected with Neth claim NNG and financed by group of diehards incl Gerbrandy.¹

COCHRAN

¹ P. S. Gerbrandy, Netherlands Prime Minister in World War II.

756D.5-MSP/12-2851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

DJAKARTA, December 28, 1951—7 p. m.

PRIORITY

924. Ref Embtel 846 and Ecato circ 165.¹ Discussed with FonMin Subardjo morn 28th draft note which I left with him eleventh seeking assurances required under MSA legis. Subardjo promised have draft considered cabinet mtg 29th and let me know results thereof 31st. No problems re amendments addition to those mentioned Embtel 846 have yet arisen, but FonMin will likely find necessary to request change in language JBMA 4 from "Govt of Indo considers aforementioned econ coop agreement fully effective" to that used in FonOff core of Oct 27 (see Embtel 660, Oct 31) namely "Govt of Republic of Indo states that econ coop agreement between Govt of Republic of Indo and Govt of United States of America, signed in Djakarta on Oct 16, 1950 has been and will continue to be a binding obligation of Republic of Indo, according to its terms pending Parl action".

Hope report further after seeing Subardjo 31st.²

COCHRAN

¹ Latter not printed.

² On December 31, Ambassador Cochran, in telegram 931 from Djakarta, reported that Foreign Minister Subardjo had been unable to get the draft note regarding MSA assurances before the Cabinet on December 29 (756D.5-MSP/12-3151).

856D.2553/12-3151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 31, 1951—2 p. m.

930. Stanvac group called noon 29. Gibbon reported his conversation with Wilopo of that forenoon. He said Wilopo talked in terms 65-35 arrangement just as if there had been no conversations past 30 days, except that effort wld be made to keep arrangement confidential. Gibbon understood Indo Govt wld require its technicians assure govt that arrangement as formulated, even though not spelling out 65-35 cut, wld in operation yield 65 percent to govt. Gibbon said he portrayed to Wilopo problems faced by his company in undertaking to work under such arrangement.

I called on FonMin Subardjo 8:15, 31st. I told him of Gibbon's report of his conversation with Wilopo. I understood Wilopo had been absent from Djakarta during important part exchange views on Stanvac problem. I found Stanvac group discouraged by Wilopo's rigid attitude as revealed 29th. I feared they wld recommend to their

shareholders against further expansion Indo unless they cld get some better arrangement. I reminded FonMin scale generally accepted internationally is 50-50.

I told FonMin that Stanvac contemplated spending many millions dollars 1952 to expand plant to keep up with demand for petroleum this area but must consider all factors before embarking on such undertaking. I pointed out arrangement whereunder Stanvac has perhaps been yielding approx 62 percent to govt had developed under NEI regime. I said company had been willing go along on this scale while rehabilitating war damaged plant and enjoying ["let alone"] agreement on fon exchange. I recalled however that in meantime Indo had come into sovereignty. I said I had been convinced of good intentions of Indo toward fon capital but had taken great responsibility upon myself in endeavoring convince my own govt well as active and prospective investors that present Indo Govt prepared give square deal to fon capital.

I said Indo beset by many problems and still on trial in eyes of world. I said if govt now insists on 65-35 arrangement, and at same time announces sharp increase retroactively in corporation tax during course negots, foreign investors such as Stanvac will naturally be most reluctant to risk their shareholder's money in Indo. I emphasized that Indo's great need is for fon capital to develop natural resources. I said there was limit to extent Export Import Bank shld go. I pictured ECA grant aid as transitory and likely diminish as demands for US help on part our allies increases. I said logical and dependable source fon capital shld be private investors. I said with petroleum business booming on account war conditions, now is time oil companies seek expand their operations. I said such cos wld however determine where they cld most wisely invest with assurances of security well as profit. I said too many imponderables in Indo situation yet to consider it secure place of investment. I said scales wld be heavily weighted against Indo as place for profitable investment if decisions shld now be taken indicating effort to exact last possible centime. I recommended consideration of arrangement which wld encourage Stanvac go ahead with expansion. I said outcome their negots being watched carefully by Caltex, which surely wld refrain from going further with its development if arrangement is imposed on Stanvac which both consider unfavorable. I cld not speak for BPM, but was aware that company anxiously awaiting outcome Stanvac negots.

FonMin agreed speak to Wilopo, as I had requested, and also volunteered that he wld discuss situation with PriMin Sukiman and Pres Sukarno. I reassured Subardjo no desire on my part enter actual negots for which Stanvac alone must be responsible. I reminded him however of possible embarrassment to my govt if precedent established

Indo which wld upset US policy in supporting its investors in other principal oil areas of world. I said I did not want to see Indo obliged accept less favorable arrangement than US oil cos are giving elsewhere. Such development would react on Indo Govt. At same time I did not want see Sukiman govt suffer blow and Indo bear loss which wld come from imposing on Stanvac such unfavorable arrangement that Stanvac and other cos wld reduce operations and/or possibly withdraw from Indo.

Have appointment to present Prioleau to Wilopo 12 noon today.

COCHRAN

856D.2553/12-3151 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET PRIORITY

DJAKARTA, December 31, 1951—4 p. m.

933. Stanvac group came my office 11:30 morn 31st. I acquainted them my conversation with Subardjo (Embtel 930¹). I did not tell them that just as I was leaving Subardjo latter expressed opinion Indo wld have to get rid of its Neth advisors. Subardjo said they were making too many problems. He asked me what BPM position was on 65-35 arrangement. I said I did not know what cut Indo Govt getting from BPM at present. I pointed out however that BPM "let alone" agreement still has five years to run. We agreed it might be conceivable BPM wld like see Stanvac forced out of Indo within those five years, Caltex deterred from moving into production and BPM thus left to monopolize oil industry and be in position dictate its terms when agreement lapses in 1956.

As Prioleau and I en route to Wilopo's for twelve noon appointment, Prioleau remarked on concern his group over degree to which Oudt (former NEI FinMin and now advisor to Indo FinMin) and Kuypers influencing Indo Govt position toward Stanvac. Stanvac group thought intransigent attitude Neth advisors toward Stanvac might result from antagonism Neth civil servants NEI formerly had for BPM because of latter's superior attitude toward them. Stanvac thought possible old Neth civil servants might now be getting back at BPM thru setting precedent in case Stanvac which wld have to be followed in BPM. I told Prioleau we cld speculate considerably as to whether Indo formula might be supported by conscientious Neth advisors wanting get maximum results for Indo, or whether such advisors being used as tools Neth interests, governmental or private, that are antagonistic to Amer interests, official or private, or whether sitn is as Stanvac suspected.

¹ *Supra.*

To Wilopo, who recd us alone, Prioleau and I each set forth all arguments which we had offered on earlier occasions with Roem, Hatta and Subardjo. We made point Wilopo was official directly concerned as EconMin and we wanted bring him to date from our side as to developments that had occurred in his absence. We argued so strongly against 65-35 arrangement that he promised start his investigation all over again, beginning with data Stanvac has submitted and calling upon his technicians to provide their material. I counseled him against depending upon Neth advisors exclusively. Prioleau volunteered to have his org make all pertinent info avail and assist in every way toward reaching mutually satisfactory agreement. Next step will presumably be Wilopo call Gibbon info development new plan. I feel we have definitely blocked possibility Indo Govt moving now, at expiry Stanvac "let alone" agreement, arbitrarily to impose 65-35 percent arrangement. I feel door left open for further exchange ideas and negots.

COCHRAN

756D.5-MSP/12-1751

*The Acting Assistant Secretary of State for Far Eastern Affairs (Allison) to Mr. Robert Blum, Special Assistant to the Assistant Administrator for Program, Economic Cooperation Administration (Cleveland)*¹

CONFIDENTIAL

WASHINGTON, December 31, 1951.

DEAR MR. BLUM: I wish to thank you for the lucid exposition in your letter of December 17, 1951 of the reasons for ECA's recommendations regarding the continuance of the technical and economic program for Indonesia.

The Department's position is at variance with that of ECA. I believe this variance is due chiefly to a difference not in the diagnosis of the problem but rather in the prescription of the remedy.

The objective of U.S. policy toward Indonesia is the maintenance and strengthening of a politically stable, economically healthy, non-Communist State under a government friendly to the U.S. This policy is based upon the realization of Indonesia's importance to the U.S. deriving from its strategic position athwart the lines of communication between Asia and Australia and the Pacific and Indian Oceans, and its important raw materials including about 20% of the world mine output of tin (in ore), 38% of the world production of natural rubber, and the only important source of crude petroleum in the Western Pacific.

¹ According to a covering memorandum from Mr. Allison to Mr. Cleveland, dated January 7, 1952, Mr. Blum had left Washington, so Mr. Allison decided to send this reply to Mr. Cleveland instead.

I concur in ECA's presentation of the serious problems which Indonesia is facing, including the resurgence of organized Communist activity. I share your belief that the time element is important in this connection and the U.S. should "do everything in its power to speed the consolidation" of Indonesia.

As pointed out both in your letter and in the ECA FY 1953 Budget Presentation justification, Indonesia is a wealthy country. It will have a large favorable balance of payments in 1951. Total exports, conservatively estimated, will amount to \$1,200,000,000. The Indonesian Government's budget will be approximately balanced in 1951. Indonesia's gold and dollar holdings have increased from \$194,000,000 when Indonesia acquired sovereignty in December 1949, to \$402,000,000 on October 31, 1951. U.S. financial and economic assistance to Indonesia, apart from the ECA program, includes a \$100,000,000 line of credit extended by the Export-Import Bank. In these circumstances, I fully agree with the following ECA statement regarding its FY 1953 grant program of \$11,500,000:

"Expressed in figures alone, its prospective impact on the Indonesian economy as a whole may seem very small indeed. It should therefore be clearly understood and realistically admitted that the significance of this program lies chiefly in its political and psychological effects and in its catalytic nature."

For the reasons outlined below, however, I believe that the FY 1953 Program which ECA proposes for Indonesia would at best be an ineffective method of "speeding the consolidation" of Indonesia and of implementing U.S. policy toward that country.

Indonesia has a non-Communist government which has demonstrated, by its mass arrests of subversives in August 1951, and by its severe suppression of the armed Communist uprising at Madiun in 1948, that it is both sincere and effective in suppressing Communism when the danger becomes acute. The Indonesian Government has also by its recent actions demonstrated its basic friendliness to the U.S. It shut the door in the faces of a group of Chinese Communist diplomats who were attempting to increase Chinese representation in Indonesia. It included rubber on the list of goods subject to the United Nations embargo against Communist China. It attended the San Francisco Conference and signed the Japanese Peace Treaty in the face of Indian and Burmese abstention and Russian opposition.

This non-Communist and basically friendly Government is under severe popular pressure, however, to pursue a vigorous policy of "independence" in its foreign relations. It therefore resents and may be seriously embarrassed by any American activities which lend plausibility to the picture of Indonesia as an arena and its Government as an American mercenary in the U.S. battle against Communism.

Although the projects for the ECA FY 1953 program have been worked out by ECA/Djakarta in collaboration with the Indonesian Coordinating Committee and have been formally requested by the latter, it would be unrealistic to accept these requests as proof that the total effect of the grant program will be a net political asset to American foreign policy in Indonesia. On the liability side looms Indonesia's recognized reluctance to accept foreign aid.

Indonesia's reluctance to accept foreign aid, pointed out both in your letter and the ECA FY 53 Budget Presentation, is caused chiefly by the suspicion that the Indonesian Government in accepting American aid has "sold out" to the U.S. and thereby prejudiced Indonesian "independence".

In my opinion, this reluctance applies primarily to grant aid which brings with it the foreign grantor government's participation in Indonesian matters within Indonesia. Indonesian apprehensions on this account have been so strong as to deter the government from seeking Parliamentary ratification either of the Fulbright agreement or of the ECA bilateral signed in October 1950.

This reluctance is further explained by paragraph 19 of Toeca A-37 submitted by ECA/Djakarta in October 1951,² quoted in part below:

"To summarize, the reluctance of the government to request technical assistance personnel is based upon a combination of personal prestige, a desire to run their own affairs and to prove to people that Indonesians themselves can run their own affairs; some suspicion of American intentions; Dutch resistance; some fear of too prominent identification of Indonesia with the U.S.; unsatisfactory experience with touring and/or short-visit experts; a feeling that the government already knows what needs to be done in major fields such as agriculture and public health and simply lacks the middle and lower-level technicians (or funds) to carry out technical experts; the relatively short periods Americans will agree to stay in Indonesia; what the Indonesians regard as the fantastically high pay scales (both in dollars and in rupiah allowances) for American experts; the shortage of housing, even for Indonesian officials; and widespread insecurity."

As contrasted with its reluctance to accept foreign aid, the Indonesian Government has shown enthusiasm and initiative in purchasing foreign aid on the government's own terms. There is an active Indonesian Supply Mission in New York making purchases through normal business channels. The Indonesian Government has, on its own initiative, provided for the training of 60 Indonesian air cadets, on a private contract basis, by an American company in California. It has hired economists and technicians from Switzerland, Germany, and Australia; and has opened a recruiting office at The Hague which reportedly has the objective of hiring 2,000 technicians to work in

² Not here printed.

Indonesia and has already let 50 individual contracts. The Indonesian Air Force is employing American flying instructors on a private contract basis at Bandung. I believe that the most successful and most appreciated of the projects which ECA has sponsored in Indonesia is the project which makes available the skills of the J. G. White Engineering Company as consulting engineers directly responsible not to an agency of the American Government but to the Indonesian Government itself.

In similar contrast to its attitude toward foreign aid in the form of grants, the Indonesian Government looks with comparative favor on aid in the form of foreign loans. It has successfully defended before Parliament the acceptance of the \$100 million of Ex-Import Bank line of credit as a good business loan in return for a fair rate of interest. The Indonesian Parliament has ratified loans amounting to \$52 million under this line of credit.

I believe that your letter implies the opinion that the reduction of the ECA grant aid program at this time would strengthen the hand of Communism. With this opinion I cannot agree. The Communists in Indonesia are indeed a threat, and if they play their usual game they may be counted on to try to make political capital out of whatever decision the U.S. Government reaches with regard to continuance, discontinuance, or modification of the ECA Program. If we continue the program, the Communists will probably point to it as another tentacle of U.S. imperialism entwined around a subservient Indonesian Government. If we discontinue or diminish the program, the Communists will probably cite this action as proof of American perfidy. As between the two alternatives, I believe the latter offers the Communists the least fruitful material for propaganda, especially if substantial U.S. financial aid continues to be extended in a form more acceptable to the spirit of Indonesian nationalism. In this connection, I am pleased to note that the ECA FY 1953 Budget presentation states that the Export-Import Bank believes that new loan commitments, substantially larger than the amounts proposed for grant aid, may be made in Indonesia during FY 1953.

I recognize the possibility that reduction of the ECA FY 1953 Program below \$8 million might cause some disappointment and criticism, but I do not share your opinion that it would "embitter the Indonesians." On the contrary, and apart from the fact that American-Indonesian relations are strongly affected by many factors other than the size of the ECA Program, I believe that a reduction if tactfully handled and judiciously presented by the ECA and the Department might improve our relations with Indonesia.

The presentation I envisage would emphasize that large amounts of American aid in the form of grants, originally proposed to assist

Indonesia's economic recovery, have been rendered unnecessary by the economic progress which Indonesia has achieved in the short period which has elapsed since she acquired sovereignty. It would simultaneously be pointed out that although aid in the form of outright grants has been discontinued, America is still extending financial co-operation under the Export-Import Bank line of credit, and stands ready to consider increasing this loan.

You propose that the Indonesian Government participate in the decision as to the magnitude of the ECA FY 1953 Program if under \$8 million. This procedure would, I believe, be inadvisable. Although the Indonesian Government has amply demonstrated its reluctance to accept grant aid accompanied by foreign advisers responsible to a foreign government, we cannot expect officials of the Indonesian Government formally to reject a gift when offered by a friendly country. The proposed procedure, moreover, would probably be embarrassing to both Governments in view of the tacit recognition by the Indonesian Government that the amount of the grant aid will be determined not only by the availability of funds from the American Congress, but also by the United States Government's shrewd estimate of the extent to which these funds will promote American foreign policy in Indonesia. I therefore consider that the magnitude of the Program is a matter which must be decided solely by the United States Government. If this decision results in a reduction, I believe, as indicated above, that it can be presented in a manner acceptable to the Indonesian Government.

It is certainly true, as you state, that the saving of a few million dollars on the Indonesian program will be insignificant compared to the total U.S. expenditure on foreign aid. I do believe, however, that such a saving is warranted and therefore would be appreciated both by the Bureau of the Budget and by the Congress.

The Department considers that this ECA Program, on the scale contemplated, would be a net political liability in that it would risk undermining the popular and parliamentary support of Indonesia's non-Communist and friendly Government which, partly as the result of our total diplomatic effort, is leading Indonesia to closer affiliation with the United States.

While the Department has concurred with ECA in the appeal to the Bureau of the Budget for the restoration of \$17 million to the SEA programs as a whole, it does not support restoration of all requested funds for the Indonesian program. The Department does heartily approve of the continuation of the White Engineering Project and believes that the remaining projects should be limited to those already actually in progress, particularly those which have reached such a stage that sudden elimination would be extremely difficult or em-

barrassing and that the total amount of the Indonesian program should therefore not be more than \$5 or \$6 million. It is also our strong belief that, barring unforeseen developments, the grant program should be so carried out that it can be brought to a complete close by the end of FY 1953, and in no event with anything more than purely liquidation activities extending into FY 1954.

If ECA is unable to agree to the program envisioned above, it is suggested that the question be submitted to the Director of the MSA for adjudication.

Sincerely yours,

JOHN M. ALLISON

JAPAN

ROLE OF THE UNITED STATES IN THE NEGOTIATION AND CONCLUSION OF THE TREATY OF PEACE WITH JAPAN; CONCLUSION OF A BILATERAL SECURITY TREATY; PROGRESS TOWARD AN ADMINISTRATIVE AGREEMENT; POLICY OF THE UNITED STATES REGARDING REARMAMENT OF JAPAN; OCCUPATION AND CONTROL OF JAPAN¹

Notes on Sources

Emphasis of the Japanese compilation for 1951 is largely upon policies and events leading up to conclusion of the multilateral Japanese Peace Treaty and United States-Japan security arrangements. After some consideration of grouping United States negotiations on the Peace Treaty with each of the major Far Eastern Commission powers in a series of subcompilations, the editors decided instead on a chronological organization in order to eliminate excessive cross-referencing.

The compilation takes note also of the planning and discussion of Japanese rearmament within the United States Government and between the two countries. Material is included on the changing relationship of the occupying powers and of SCAP to the Japanese Government, especially with regard to the purge directives. There is a smaller quantity of material on economic questions not connected with the Treaty.

The compilation is based on the archives of the Department of State and on pertinent documents from other agencies which could be specifically requested on the basis of mention in the Department's files. The compilers have also examined the H. Alexander Smith papers and the declassified and unclassified portions of the John Foster Dulles papers, at Princeton University, for materials on the Peace and Security Treaties.

The main Peace Treaty decimal file is 694.001. The main Japanese political file, 794.00 and its subfiles, is also useful. Interrelated police and rearmament questions are filed under 794.56 and 894.501.

The major Lot file is 54D423, the John Foster Dulles Peace Treaty File. Some materials in it are not duplicated elsewhere; additionally, its documents are more convenient to use than are other copies scattered through the decimal files. This Lot is also a major source for

¹ For previous documentation, see *Foreign Relations*, 1950, vol. VI, pp. 1109 ff.

the compilation dealing with East Asian-Pacific security. In Lot 56D527, a file of the Office of Northeast Asian Affairs, are several folders representing the working Treaty files of several of the officials of that Office.

The foregoing is intended to serve as an introduction, not an exhaustive guide, to the pertinent material in the files.

694.001/1-351 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

TOP SECRET

WASHINGTON, January 3, 1951—6 p. m.

Topad 1000. Eyes only for Sebald. Dulles,² Rusk³ and Allison⁴ had long session with Gen Bradley⁵ and Joint Chiefs today re future steps re Jap peace treaty and possible early departure Presidential Mis to Jap headed by Dulles. Joint Chiefs had before them Dec 13 ltr from SecState to Secy Marshall⁶ calling for JCS opinion on whether or not any objection from mil point of view to (1) seeking early conclusion of peace settlement with Jap without awaiting favorable outcome Korean situation; (2) discussing this settlement with assumption that US intends to commit substantial armed force to defense of island chain of which Jap forms part; (3) leaving Ryukyu and Bonin Islands under Jap sovereignty, subj to provisions of contemplated mil security agreement which wld presumably take special account of position in Okinawa; (4) exploration at this time of possible Pacific Pact.

On points 2, 3 and 4 above agreement was reached. Joint Chiefs agreed US intends commit substantial armed force to defense island chain and that it wld be useful at this time to explore with our allies possibility of Pacific Pact confined to island nations (Austral, NZ, Phil, Jap, US and possibly Indo), which wld have dual purpose of assuring combined action as between members to resist aggression from without and also resist attack by one of the members, e.g. Jap, if Jap shld again become aggressive.⁷ Joint Chiefs maintained former posi-

¹ William J. Sebald was also Chief of Diplomatic Section, GHQ, SCAP, and held the personal rank of Ambassador.

² John Foster Dulles, Consultant to the Secretary of State.

³ Dean Rusk, Assistant Secretary of State for Far Eastern Affairs.

⁴ John M. Allison had been Director of the Office of Northeast Asian Affairs until September 12, 1950. Thereafter he worked under Mr. Dulles and received the title of Special Assistant (to Mr. Dulles) sometime in January 1951.

⁵ General of the Army Omar N. Bradley, Chairman of the Joint Chiefs of Staff.

⁶ General of the Army George Catlett Marshall, Secretary of Defense. For the text of the letter, see *Foreign Relations*, 1950, vol. VI, p. 1363.

⁷ For more specific information on the type of Pacific Pact under consideration at this time, see the memoranda (with enclosures) of January 4 by Mr. Allison and Mr. Dulles, both to Ambassador at Large Philip C. Jessup, pp. 132 and 134, respectively.

tion that Ryukyu and Bonin Islands shld be maintained under US strategic control and Jap sovereignty not restored. State agreed that if this was Defense position it wld do its part in achieving objective. With respect point (1) on timing, there was considerable concern expressed on fol points: (a) Whether treaty shld be concluded while situation in Korea is still unresolved. (b) Whether or not early conclusion of treaty wld be provocative to USSR and whether any steps taken in that direction might increase likelihood of overt Sov action against Jap, particularly in Hokkaido.

With respect to point (b), Gens Collins⁸ and Vandenberg⁹ expressed opinion that views Gen MacArthur¹⁰ and PolAd shld be obtained whether from point of view of Jap security it was essential that prior departure Dulles Mis, with inevitable attendant publicity, steps shld be taken to reinforce US position in Hokkaido, either from Korea or ZI, with a view to forestalling any possible Sov move to occupy that area as result of Amer steps to accelerate peace treaty and possible rearmament of Jap. State's view is that any preliminary action such as Dulles Mis which US might take is already discounted by Sov and wld not affect Sov timetable appreciably, and that it is of great importance from point of view of Jap public opinion and psychology that some early indication be made that US has not gone back on its earlier expressed intention to proceed expeditiously with a Jap treaty. State also sees disadvantage in delay which UK is using to take initiative from us in whole situation as indicated ur 1280, Dec 29.¹¹

Request you consult urgently with Gen MacArthur, to whom Joint Chiefs are also cabling, with view to getting his and ur views before us at earliest possible moment. Shld you and Gen MacArthur believe it useful for you to return at once in order to make available to Joint Chiefs latest views on this situation you are authorized to do so and travel orders will be issued on ur request. In Dept's opinion projected Dulles Mis shld leave within next three weeks if best results are to be achieved. Whether or not you deem it advisable to return to Washington, cable your comments on above. If you desire come to Washington, it is believed important that you return with Mis and be in Jap while it is there.

ACHESON

⁸ Gen. J. Lawton Collins, Chief of Staff, U.S. Army.

⁹ Gen. Hoyt S. Vandenberg, Chief of Staff, U.S. Air Force.

¹⁰ General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers (Japan) ; Commander in Chief, Far East and Commander in Chief, U.N. Command.

¹¹ *Foreign Relations*, 1950, vol. VI, p. 1392.

Department of Defense Files : Telegram

The Chief of Staff, United States Army (Collins) to the Commander in Chief of United States Forces in the Far East (MacArthur)

TOP SECRET

PRIORITY

[WASHINGTON,] January 3, 1951.

DA 80222. From CSUSA JCS authorized dispatch of following msg to you.

We have had a very satisfactory conference with Mister Dulles and other representatives from State concerning the proposed Jap Peace Treaty.¹ Mister Dulles is most anxious to proceed to Japan in the immediate future. The JCS are concerned over the timing of this visit. In view of current publicity regarding possible Japanese rearmament linked with Soviet concern over German rearmament, there is possibility that visit now might precipitate Soviet counter reactions perhaps against defenseless Hokkaido. If there is any likelihood that Soviets might consider occupying Hokkaido, it would be highly desirable to have some troops on that island prior to Mister Dulles arrival in Japan. We could not even under most fortuitous circumstances send you any troops for this purpose within 6 weeks. Thus Hokkaido would remain vulnerable unless you felt it of sufficient importance to warrant moving some from Korea to Hokkaido. In light of above considerations what are your views as to seriousness of possible Soviet threat to Hokkaido? What influence, if any, should this have in timing of Mister Dulles visit to Japan.

¹ Reported in telegram Topad 1000, *supra*.

Department of Defense Files : Telegram

The Commander in Chief of United States Forces in the Far East (MacArthur) to the Joint Chiefs of Staff

TOP SECRET

PRIORITY

TOKYO, January 4, 1951.

C 52713. Reference DA 80222.¹ There is no question as to the vulnerability of Hokkaido to Soviet amphibious and/or airborne attack nor as to the availability of USSR forces for such operations. The Department is in better position to evaluate Soviet intentions with respect to Hokkaido from studies of global intelligence than is this theater. So far as our intelligence reports, there is no local indication of Soviet special preparation to attack Hokkaido. Such an attack would undoubtedly precipitate a global war. It does not appear possible that the presence of Mr. Dulles in Japan could have the slightest effect upon Soviet decisions to initiate such a war.

¹ *Supra*.

The situation in Korea at present obviously would not permit the withdrawal of any elements of our forces there without endangering that part of the command which remained under present commitment. My concern for the security of Japan resulted in my considered recommendation as stated in C-51559 ² that the four national guard divisions now on active duty should be promptly deployed to Japan for completion of their projected training and to provide emergency protection.

The desirability of a Japanese peace treaty from both a military and political stand point is of such urgency that all practical measures should be taken without delay to negotiate such an agreement. However, it might be prudent to accept a delay in Mr. Dulles' arrival if reinforcements are to be moved from the ZI to Japan in six weeks, the possibility of which is suggested in your reference message.

² Not printed, but see memorandum dated December 21, 1950, *Foreign Relations*, 1950, vol. VII, p. 1588.

694.001/1-451

The Consultant to the Secretary (Dulles) to the Secretary of State

TOP SECRET

WASHINGTON, January 4, 1951.

DEAR MR. SECRETARY: With Mr. Rusk and Mr. Allison, I conferred yesterday with the Joint Chiefs of Staff with reference to proceeding to a Japanese peace settlement.

You will recall that in the joint memorandum of yourself and the Secretary of Defense, dated September 7, 1950, which was approved by the President, it was stipulated, at the request of the Secretary of Defense, that there should be no definitive Japanese peace settlement "until after favorable resolution of the present United States military situation in Korea".

Ever since the Chinese Communist intervention in Korea it has seemed unlikely that there would be any such "favorable resolution" and, in consequence, active negotiations have necessarily been in suspense for about six weeks pending modification of the Presidential directive of September 7th,¹ such as you suggested in your letter of December 13, 1950 to Secretary Marshall.

This delay has worked against the long-range interests of the United States in relation to Japan in the sense that:

1. The Japanese people and their leaders are coming increasingly to feel the danger of throwing in their lot with us in view of the fact

¹ This directive was in the form of a joint memorandum, dated September 7, from the Secretaries of State and Defense to President Truman. It was approved by the latter on September 8 and circulated that day as NSC 60/1. For text, see *Foreign Relations*, 1950, vol. VI, p. 1293.

that Communist power seems to be closing in upon them, and also upon their normal sources of food supply from French Indo-China, Siam and Burma. Our information points to increasing doubt on the part of the Japanese leaders as to the wisdom of any definitive commitment to our cause at the present time unless perhaps under conditions as to military and economic security which it would not be easy for us to fulfill.

2. The United Kingdom is seeking to gain the initiative and is itself drafting a Japanese peace treaty. This, it seems, is being now considered in London by the Commonwealth Prime Ministers,² who are also reported to be considering a Pacific Pact. There is, thus, a likelihood that we may soon be confronted with a British Commonwealth program dealing with Japan and related matters. The British Commonwealth members constitute six of the thirteen members of the Far Eastern Commission³ which, in turn, is made up of the nations which we consider to be those primarily concerned with a Japanese settlement. We are not familiar with the precise terms of any British proposals, but we do know that the British policy in relation to the Far East is different in many essential respects from our own and it can be assumed that the British Commonwealth proposals will not adequately take account of what the United States believes to be its vital interests in this area.

In sum, the delay in our pushing the Japanese peace settlement has not worked to our advantage and the conditions which were set out in the memorandum of September 7, 1950 as "vital" and which any treaty "must" take account of, now become matters to be negotiated for and obtained as fully as possible, rather than conditions which in September it seemed that we could obtain unconditionally merely by stipulating them.

Our talk with the Joint Chiefs of Staff indicated that they may desire further delay principally for two reasons:

1. To preserve our existing authority in Japan until after the Korean affair is liquidated; and

2. To reinforce Japan with additional United States land forces lest the Soviet might move its own armed forces into Japan either as an "occupying" power under the Surrender Terms or on the theory that the Sino-Soviet Treaty of February, 1950 requires this because of the remilitarization of Japan.

In my opinion neither of these reasons is valid.

As to the first, no possible procedure could change the present legal status in Japan for several months and any change would, in the last

² The Conference of Commonwealth Prime Ministers began in London on January 4 and concluded on January 12.

³ This Commission was established by, and its functions were set forth in, the Communiqué of the Moscow Conference, issued December 27, 1945, by the representatives of the United Kingdom, the United States, and the Soviet Union. Text is printed in Department of State *Bulletin*, December 30, 1945, p. 1027. For the activities of the FEC, see Department of State, *The Far Eastern Commission: A Study in International Cooperation, 1945 to 1952* (Washington, Government Printing Office, 1953).

analysis, be dependent upon action by the President and the Congress or the Senate which could always be deferred if the situation were then such that delay seemed in the best interests of the United States.

As to the second reason, it is, of course, possible that the Soviet Union plans, under one pretext or another, to invade Japan and anything the United States can do consistently with its other responsibilities to defend against this is, no doubt, desirable. Nothing in the pending negotiations precludes this. It must, however, be assumed that if the Soviet have any early plans for sending armed forces to Japan, these plans have already been made. They will not be improvised merely because a United States Mission now goes to Japan, as has been long contemplated, in order to push forward a Japanese peace settlement.

The Soviet Union already knows that our intentions are (a) to retain American garrisons in Japan and (b) to permit if not encourage Japanese rearmament. The conversations and exchange of notes with the Soviet Union make both of these points perfectly clear and Soviet plans doubtless are already made accordingly. If they have plans to invade, it is possible that those plans might coincide with the prospective mission to Japan, and this would be true whether the Mission goes now or after one or two months. The presence of the Mission would not, however, be the cause of an invasion as a major move of this sort by the Soviet Union, which would risk general war, would be taken by the Politburo with careful preparation many months in advance. The North Korean invasion seems now to have been decided upon at least six months before it occurred. So any early action in relation to Japan would certainly have been decided upon by now and nothing we do within the next few weeks would precipitate or prevent its being carried out.

In my opinion, further delay will substantially increase the risk that it will be impossible to obtain an unreserved Japanese commital, in fact as well as form, to our cause on conditions which we would regard as acceptable. Already the delay is causing disquiet in Japan and a feeling that it may well be that, as Secretary Royal once told the Japanese, we have no firm resolve to try to hold the island chain of which Japan forms part.⁴ Of course, no one can say in terms of days, when delay will be fatal to our hopes as regards Japan, but I think we are already in the danger area.⁵

Sincerely yours,

JOHN FOSTER DULLES

⁴ For documentation regarding remarks made by (then) Secretary of the Army Kenneth C. Royall at an off-the-record press conference held in Tokyo February 6, 1949, see *Foreign Relations*, 1949, vol. VII, Part 2, p. 648.

⁵ A marginal note on the last page of this letter reads: "Mr. Rusk concurs. L[ucius] D[.] B[attle]." Mr. Battle was a Special Assistant to the Secretary.

56D424: Files of the Office of Northeast Asian Affairs

*Memorandum by the Acting Director of the Office of Northeast Asian Affairs (Johnson)*¹

TOP SECRET

[WASHINGTON,] January 6, 1951.

ITEMS FOR DISCUSSION WITH THE JCS²

JAPAN

Apart from the question of a peace settlement with Japan, now under discussion between Defense and State, immediate consideration should be given to the steps to be taken between now and the conclusion of a peace settlement. It will be important that the psychological impact of the termination of the occupation be minimized by a phasing out of the occupation during the interim period. It is also important that all possible steps be taken to increase the security of Japan during that period. Therefore, a program along the following lines should be undertaken:

1. Increase the pace at which responsibility is being returned by SCAP to the Japanese Government, and in particular relaxation of economic controls.

Comment: Apart from formal SCAP intervention into Japanese affairs, it is important that informal intervention at all levels of SCAP be reduced in order to increase the Japanese sense of responsibility for their own affairs. Implementation of this policy should make possible considerable additional reductions in SCAP personnel, with corresponding decreases in the burden on the Japanese economy of support of the occupation.

2. Expand the National Police Reserve and Maritime Safety Board as rapidly as facilities and equipment permit.

Comment: The increase in these forces in themselves does not present any legal problem vis-à-vis FEC policy decision. However, the equipping of the Police Reserve and patrol vessels of the Maritime Safety Board with weapons heavier than the "small arms" permitted by FEC policy decisions³ presents problems as long as the FEC structure is preserved. It is important that Defense keep the Department of State fully informed of its plans and operations in this regard in

¹ There is no record of the distribution of this memorandum. Four copies were made.

² Secretary Acheson and Secretary Marshall discussed a Japanese peace treaty at a meeting held in the Pentagon, 4 p. m., January 8. Other State Department officials and the JCS may also have been present. No minute of this meeting has been found in Department of State files.

³ The quoted phrase appears in FEC-017/23, February 12, 1948, "Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment." For text, see Department of State, *The Far Eastern Commission: Second Report by the Secretary General, July 10, 1947-December 23, 1948* (Washington, Government Printing Office, 1949), pp. 19-22.

order that the Department may be in a position to justify and defend in the FEC any action that is taken.

3. The Department of State suggests that the JCS give consideration to the effect the presence of American dependent women and children in Japan would have on the defense of Japan in case of outbreak of hostilities in that area and how such effects might be minimized without creating undue alarm in Japan.

Comment: There are now probably around 35,000 women and children dependents of military personnel in Japan. While, in general, additional dependents are not now being permitted to proceed to Japan, a reduction in the present number proceeds very slowly and only as personnel are transferred from the theater. While any precipitate evacuation of all dependents from Japan would produce very unfortunate effects, it is felt that we could immediately undertake a progressive program of removing dependents over a period of several months. If this were explained properly to the Japanese as a change away from occupation status and not as a step in war preparation it need not have adverse effects in Japan, and the Japanese would probably welcome a move which would relieve them of the cumbersome and burdensome structure of housekeeping responsibility as well as the burden upon the economy.

4. Expand and expedite the depurging program.

Comment: Under the present critical situation, it is more important than ever that the most competent leadership available in Japan be utilized. The democratic reforms which will survive the present situation are already so well established that a marked increase in the depurging program will have little effect on their maintenance. A marked relaxation of the program at this time should also do much to assure the orientation toward the US of those now purged leaders who would in any event resume positions of power following the conclusion of a treaty.

5. Develop Japan's industrial capacity so that it may make the maximum contribution to Japan's security, the needs of our armed forces, and our military assistance programs elsewhere.

Comment: Except for the production of instruments of war for use other than by the occupation forces,⁴ this program would not present any legal difficulties vis-à-vis FEC policy decisions. Under the present situation it would appear important that the large, unused labor force and industrial capacity of Japan be utilized to the maximum and that Japan be considered in effect as a normal source of

⁴ Wording of this sentence is in apparent reference to numbered section 10 of FEC-084/21, August 14, 1947, "Reduction of Japanese Industrial War Potential". Text of this "Policy Decision" is printed in Department of State, *The Far Eastern Commission: Second Report by the Secretary General, July 10, 1947-December 23, 1948* (Washington, Government Printing Office, 1949), pp. 25-30.

procurement for the concerned US agencies. It will be equally important that raw materials be allocated to Japan to permit such production and maintain a healthy economy.

694.001/1-651 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

TOP SECRET PRIORITY

TOKYO, January 6, 1951—8 p. m.

Topad 1318. I have today discussed substance Deptel 1000 January 3¹ with General MacArthur who has shown me text his C-52713² January 4 sent in reply DA message 80222.³

I find myself in agreement with such of those views expressed in General MacArthur's message as lie within my province. I believe, however, that early arrival Dulles mission is of considerable importance and that its arrival should not be delayed beyond time absolutely essential for adequate preparation, as I agree with Department that under present state of Japanese public opinion and psychology it is of great importance that US clarify its intention proceed expeditiously with Japanese treaty. I also believe that publicity attendant upon such visit, if placed in proper perspective, could only further strengthen US position, as purpose is exploration of road to peace, not war.

General MacArthur has also shown me text his C-52202,⁴ December 28 sent in reply to JCS 99159⁵ December 18. Subject following comments, I am similarly in general agreement with General MacArthur's replies to 9 numbered questions:

With regard his reply No. 3, while agreeing with specifications re necessary control over Ryukyu and Bonin Islands, I believe same objective might be accomplished without unduly antagonizing Japanese public opinion, or doing violence previous public commitments re no territorial acquisitions to resort to formula which, while allowing retention effective strategic control over Ryukyus and Bonins, would avoid appearances of outright and irrevocable alienations over 80 from Japan.⁶

Re reply to question 6, under present regime of control believe Japan would find it most difficult undertake program of rearmament except behest of SCAP, but foresee no overriding difficulties this course once Japan has obtained full sovereignty.

¹ *Ante*, p. 778.

² *Ante*, p. 780.

³ Of January 3, p. 780.

⁴ For text, see *Foreign Relations*, 1950, vol. VI, p. 1383.

⁵ For partial text, see *ibid.*, footnote 1.

⁶ The latter part of this sentence is apparently garbled.

With regard to my return for consultation at this time, while General MacArthur has given me complete freedom of action, we both feel that I would be of maximum usefulness to Dulles mission by remaining here pending its arrival, in order to be close to Japanese scene and make such preparations as mission might suggest could enhance its success. Unless Department should nevertheless immediately desire my presence, I therefore propose remaining here until and during mission arrival and stay in Japan. It is probable my presence in Washington at later time would serve more useful purpose. In any event in view numerous press reports and speculation by many government and other quarters, would appreciate ETA Dulles mission.

SEBALD

694.001/1-951

The Secretary of State to the Secretary of Defense (Marshall)

TOP SECRET

[WASHINGTON,] January 9, 1951.

DEAR MR. SECRETARY: As a result of our meeting yesterday afternoon¹ on the subject of the Japanese peace treaty, I am enclosing a Joint Memorandum to the President recommending that he approve the draft letter of instructions to Mr. Dulles which received the approval of the Joint Chiefs yesterday. I have signed this memorandum, and if you agree with it will you please also sign and forward it to the President at the earliest possible opportunity.

Sincerely yours,

DEAN ACHESON

[Enclosure 1]

TOP SECRET

[WASHINGTON,] January 9, 1951.

MEMORANDUM FOR THE PRESIDENT²

You will recall that on September 8, 1950, you approved a Joint Memorandum from the Secretaries of State and Defense concerning the general basis upon which progress should be made looking toward a peace treaty with Japan. The Secretaries of State and Defense have now agreed that the time has come to implement paragraph 5 of that memorandum, which provided that after the initial discussions with the friendly powers "a United States political representative will go to Japan to discuss confidentially with General MacArthur the proposed treaty and by arrangements through and in cooperation with

¹ See footnote 2, p. 784.

² A photocopy of the original of this memorandum shows that it bears the signatures of Secretaries Acheson and Marshall and the handwritten notation "Approved 1/10/51 Harry S Truman." (Lot 54D423: John Foster Dulles Peace Treaty File)

General MacArthur will discuss the proposed treaty with the Japanese Government and also seek a procedure for Japanese participation in the treaty-making process which will assure genuine acceptance by the representatives of all important, non-Communist political groups in Japan."

It is recommended that Mr. John Foster Dulles, who has been conducting the preliminary negotiations concerning the Japanese peace treaty, be appointed by you as Special Representative of the President with the personal rank of Ambassador to carry on these negotiations and to head a Presidential Mission to Japan for the purposes outlined above.

There is enclosed a draft letter to Mr. Dulles informing him of his designation and setting forth the terms of reference of his Mission. It is recommended that this draft letter be approved and transmitted to Mr. Dulles through the Secretary of State who, in cooperation with the Secretary of Defense, will take the necessary steps to implement this recommendation.

DEAN ACHESON
Secretary of State
GEORGE C. MARSHALL
Secretary of Defense

[Enclosure 2]

DRAFT LETTER TO MR. DULLES³

MY DEAR MR. DULLES: I appreciate very much the splendid service you have been rendering in connection with our desire to accomplish an early Japanese Peace Settlement. In view of the importance of the series of negotiations which are now before us, I hereby designate you as Special Representative of the President, with the personal rank of Ambassador, with the responsibility for conducting, on behalf of the United States, the further negotiations which are necessary to bring a Japanese Peace Settlement to a satisfactory conclusion. In addition to the general guidance contained in this letter you will receive further instructions from time to time from me or from the Secretary of State. I know that you will keep me and the Secretary of State fully informed at all times of the course of your discussions.

In carrying out your Mission you are authorized to visit Japan and any other country and discuss with appropriate authorities and indi-

³ The final text of this letter, signed by President Truman and dated January 10, is identical except for addition of the word "necessary" between "country" and "and" in the first sentence of paragraph two. (694.001/1-1051)

viduals the general basis on which the United States is prepared to conclude a peace settlement with Japan. In conducting such discussions, you will be guided by the principles laid down in the Joint Memorandum of September 7, 1950, of the Secretaries of State and Defense, and approved by me on September 8, 1950. I believe that, under the present circumstances, the United States should proceed with further steps to bring about a peace settlement with Japan without awaiting a favorable resolution of the military situation in Korea. I recognize, however, that a peace settlement could not come into formal effect except by normal constitutional processes on the part of the United States Government. This would give us an opportunity to control, in the light of existing circumstances, the time at which any peace settlement will become fully effective.

You should also, in carrying out your discussions, have in mind that it is the policy of the United States Government that the United States will commit substantial armed force to the defense of the island chain of which Japan forms a part, that it desires that Japan should increasingly acquire the ability to defend itself, and that, in order further to implement this policy, the United States Government is willing to make a mutual assistance arrangement among the Pacific island nations (Australia, New Zealand, the Philippines, Japan, the United States, and perhaps Indonesia) which would have the dual purpose of assuring combined action as between the members to resist aggression from without and also to resist attack by one of the members, e.g. Japan, if Japan should again become aggressive. In connection with this latter point, the United States Government should agree to this course of action only as the other nations accept the general basis on which the United States is prepared to conclude a peace settlement with Japan.

Your discussions will in no way involve any final commitments by the United States Government, and you will avoid giving any contrary impression. You should have in mind that, within the framework of the Joint Memorandum, approved September 8, 1950, and the general policy outlined above, our principal purpose in the proposed settlement is to secure the adherence of the Japanese nation to the free nations of the world and to assure that it will play its full part in resisting the further expansion of communist imperialism. Accordingly, you should feel free to make such recommendations to me or the Secretary of State during the course of your endeavors as will, in your judgment, best accomplish this purpose.

The Secretaries of State and Defense will provide you with such staff as you consider necessary and will arrange all pertinent details connected with the carrying out of your Mission.

Lot 56D527

Memorandum by the Special Assistant to the Consultant (Allison)

SECRET

[WASHINGTON,] January 11, 1951.
January 12, 1951.

Subject: Meetings with House Foreign Affairs and Senate Foreign Relations Committees regarding Japanese Peace Treaty on January 11 and 12.

Mr. Dulles, accompanied by Mr. Allison and Colonel Babcock,¹ met with the Subcommittees on the Far East of the House Foreign Affairs Committee and the Senate Foreign Relations Committee to discuss with them the problem of a Japanese peace settlement.

The meeting with the House Subcommittee took place on Thursday afternoon, January 11, and Mr. Dulles made a long exposition of the philosophy back of United States policy toward a Japanese peace settlement. He particularly emphasized the fact that if the industrial potential of Japan should fall into Communist hands it would greatly increase the worldwide Communist threat. He pointed out that with Communist domination of China and Manchuria, Sakhalin, the Kuriles, and possibly all of Korea, Japan would be placed in an invidious position and would be vulnerable to Communist domination unless the United States and the other friendly powers were able to assure Japan of a reasonable political, economic and military stability over the future. Mr. Dulles emphasized that the two chief questions concerning us at present were the future security and the economic stability of Japan.

With regard to the security situation, the problem was to devise some arrangement which would protect Japan from outside aggression and at the same time re-assure to the greatest extent possible Japan's former enemies that Japan would never again be a threat to them. A supplementary problem was how Japan might begin to share some of the burden of its own defense in view of the Japanese constitutional limitation on maintaining armed forces and the known reluctance of the Japanese at this time to take any action which might result in the creation again of a military caste which might threaten civilian supremacy in the Japanese Government. In order to solve this general problem, Mr. Dulles explained that the State and Defense Departments had begun to think more seriously of the possibilities of some form of Pacific regional security arrangement which would be confined to the countries having major island possessions in the Pacific. It was explained that at present our thinking had not progressed

¹ Colonel Babcock was Chief of the Government Branch under General Magruder. He had been detailed to Mr. Dulles' staff in September 1950, for reasons described in the memorandum by Mr. Allison to the Secretary September 4; for text, see *Foreign Relations*, 1950, vol. vi, p. 1290.

very far, but was running along the lines of some sort of joint declaration by the respective members—Japan, the Philippines, New Zealand, Australia, the United States, and possibly Indonesia—that an armed attack on any of them would be a threat to the peace and security of each and that they would then take such action as might be deemed necessary in accordance with their constitutional processes. It was also contemplated that there might be set up a Pacific Ocean Defense Council which would provide a focal point for exchange of ideas and information on security problems. Mr. Dulles pointed out that it was not believed desirable at this time to create an organization of the scope of the North Atlantic Pact, but that some looser form of organization would probably be sufficient. He further pointed out that such an arrangement would have two main virtues: (1) it would probably make it easier for the Japanese to begin to assume part of the burden of their own defense without the necessity for a complete change in their Constitution, inasmuch as any forces they created would be for an international purpose generally under the terms of Article 51 of the UN Charter and not for purely Japanese purposes; and (2) the fact that such nations as the Philippines, Australia and New Zealand would participate in the arrangement would give them a voice in how Japan's defense forces progressed, so that they could be assured that these forces would not constitute a threat in the future as they had in the past.

With regard to the economic problem, Mr. Dulles pointed out that with the loss of the normal trading areas of China and Manchuria and the threatened loss of Southeast Asia with its rice bowl and other raw materials needed by Japan, Japan's economic future was indeed precarious. It might become necessary, if the Southeast Asia area fell to Communism, for Japan to fill most of its food and raw material needs from the United States at considerable expense, to say nothing of the problems of transportation over some 5,000 miles of ocean. In such case, Mr. Dulles explained that our economists figured that there might be an additional \$250 million a year burden on the United States, and Mr. Dulles wanted the members of Congress to know what might be before them in the future.

Mr. Dulles then explained that the real purpose of his trip was to find out how dependable a commitment could be obtained from the Japanese Government to align itself with the nations of the free world against Communist imperialism, and what the cost to the United States would be. He emphasized that his trip was exploratory and that no commitments would be made; and that after his return he would expect to appear before the group again to tell them what had been discovered.

All members of the House Committee present expressed general approval of Mr. Dulles' Mission and wished him success in it. They appeared to realize the seriousness of the problems concerned, but expressed the opinion that the approach which was being made was the correct one.

On Friday morning, January 12, a similar meeting was held with the Senate Far East Subcommittee, together with the Chairman of the Senate Foreign Relations Committee ² and the ranking minority member.³ Mr. Dulles went over the same ground and, while there were not as many questions directed to him, nor were the Senators as explicit in their approval as had been the House members, nevertheless there was definite approval of the approach being made.

² Tom Connally, of Texas.

³ Arthur H. Vandenberg, of Michigan.

694.001/1-1251

*Memorandum of Conversation, by the Special Assistant to the
Consultant (Allison)*

SECRET

[WASHINGTON,] January 12, 1951.

Subject: Japanese Peace Settlement

Participants: Sir Oliver Franks, British Ambassador
Mr. Hubert Graves, Counselor, British Embassy
Mr. John Foster Dulles, S
Maj. Gen. Carter Magruder, Army ¹
Col. C. S. Babcock, Army
Mr. John M. Allison

Sir Oliver called this morning by appointment to discuss the United States thinking on a Japanese peace settlement with Mr. Dulles prior to the latter's departure for Japan. Mr. Dulles opened the conversation by making clear that the contemplated trip to Japan did not envisage detailed negotiations but was rather of an exploratory nature and was designed to obtain the latest thinking of General MacArthur and Japanese leaders on what could be done to bring about a satisfactory peace settlement.

Mr. Dulles went on to explain that, in United States thinking, the treaty itself was merely a means to an end which was to assure that Japan would be willing to associate itself with and play its part alongside the free nations of the world. In order to obtain this objective, Mr. Dulles gave an explanation of our thinking on the various

¹ Special Assistant for Occupied Areas in the Office of the Secretary of the Army.

broad aspects of the situation, particularly the security, political, economic and cultural problems connected with any settlement.

On the security point of view, Mr. Dulles stated that our present thinking was that sooner or later, preferably sooner, Japan would have to begin to assume some of the burden of its own defense. It is hoped that this can be accomplished in cooperation with the western powers in a way which will ensure a reasonable degree of security to Japan and at the same time give some assurance to Japan's former enemies that they would not again be threatened by an aggressive Japan. As a result of preliminary studies and reports from Japan, as well as talks with individual Japanese leaders who had visited the United States, it appears that the problem of Japan's re-armament can best be solved if it can be accomplished in a multilateral framework tied up in some manner with the United Nations. If some device can be arranged whereby Japan can contribute armed forces to an international organization for the defense of peace and security in the Pacific area, it will be easier for the Japanese themselves, in view of their present constitutional limitations on a national defense force, to go along and at the same time it will give the other participating nations in such an arrangement a right to have a voice in what Japan does so that they may be assured that Japanese re-armament does not get out of hand and become a threat to the other powers.

From the political point of view, it is necessary that any peace settlement be based upon the free will of the Japanese and any settlement which imposed long-term, post-treaty controls or limitations would be a bad thing as we cannot expect the Japanese to acquiesce in a settlement which would mean that Japan would in perpetuity be a second-class nation. The United States, therefore, proposes a simple, non-punitive treaty, with no post-treaty controls, which will bring Japan quickly back into a position of complete sovereignty among the other nations.

The economic problems of the peace settlement are great and are becoming increasingly more difficult to solve. With the complete domination of China and Manchuria by the Communists, it has been necessary for Japan to look elsewhere for both raw materials and markets and it had been hoped that a vigorous attempt to increase trade with the southeast Asian areas might, to some extent, offset the loss of Japan's traditional trading area in China and Manchuria. However, we cannot ignore the possibility that these southeast Asian areas may also be lost to Communism with consequent grave effect on Japan's economic position. The United States must consider what must be done in case of such loss; for if we are to keep Japan on our side, it will be necessary to assure a reasonable degree of economic livelihood to the 80,000,000 vigorous Japanese.

From the cultural and social point of view, there are great opportunities for all of us to take action which will assure the Japanese that they can be an equal member of our society, but in order to do so we will have to remove discriminations such as those of the present American immigration laws so that the Japanese may know that we are not treating them as an inferior people. In this connection, the policies of the United States, Australia and New Zealand present a problem.

Having in mind all of the above problems, it is now necessary to determine whether or not our overall Pacific strategy can be based upon a dependable relationship with Japan; and that, in short, is the purpose of the forthcoming visit to Japan.

[Here follows the part of this memorandum printed on page 139.]

Mr. Dulles then raised the question of press reports of the talks among the Commonwealth Prime Ministers going on in London and said that it appeared that certain of their conclusions were mutually contradictory. He referred specifically to the press reports that the Commonwealth Prime Ministers desired an early Japanese peace settlement and at the same time demanded that Communist China have a voice in this settlement. From the American point of view it would not be possible to bring in the Chinese Communists at this time while they were still killing Americans in Korea, and Mr. Dulles expressed the hope that the Commonwealth countries would not attempt to bring this issue to a head with the probability that it would make futile all our other efforts connected with speeding up a peace settlement. Sir Oliver agreed that it would be better to postpone any solution of this problem in the hope that the progress of events would make an eventual solution easier.

Sir Oliver was then handed a memorandum ² which gave a somewhat expanded statement of United States ideas of a Japanese peace treaty and was given an opportunity to read it and ask any questions he desired. Mr. Graves raised some questions concerning our ideas about strengthening the Japanese police and whether or not it was our belief that the police reserve should be developed into at least a part-military organization. It was agreed that this is what might take place but it was hoped that in the creation of security forces for Japan we could develop them under international aegis so that there would not be a purely Japanese army acting for purely Japanese ends but rather that any Japanese army would be a part of a collective security force working for the common good.

Mr. Dulles explained the change in the territorial clauses in the present memorandum from that in the previous one handed to the

² See attachment.

British earlier,³ and pointed out that at present we were only providing that Japan should relinquish its claim to Formosa and that we were not attempting to indicate what the final settlement of the Formosa problem would be. We were also leaving out any mention of Sakhalin and the Kuriles although it is recognized that if Russia should be a party to the treaty provision would be made for turning over these territories to it.

Mr. Dulles also informed Sir Oliver in confidence that he had sent a message to Mr. Malik⁴ stating that, if Mr. Malik desires, Mr. Dulles would be glad to talk with him prior to his departure to Japan. It was hoped by this means to do what is possible to make clear to the Soviet Union that the United States is attempting to keep it in the discussions and that, at least in the opinion of the United States, the door is still open.

Sir Oliver stated he hoped to have more detailed reports by the first of the week on the results of the Commonwealth Prime Ministers' conference and that he would be glad to get in touch with Mr. Dulles again to give him any information which might be received.

[Attachment]

MEMORANDUM

In elaboration of the United States seven-point statement of principles regarding a Japanese peace treaty handed representatives of the nations members of the Far Eastern Commission, it is suggested that the treaty would follow these general lines:

1. It would formally end the state of war between the Allied and Associated Powers which adhered to the treaty and Japan.
2. It would restore full sovereignty to Japan.
3. It would bind Japan to apply for membership in the United Nations and the Allied and Associated Powers to support its application.
4. As regards territory, the treaty would require Japan to renounce all interest in Korea, Formosa and the Pescadores and to accept a United Nations trusteeship with the United States as administering authority over the Ryukyu and Bonin Islands. Japan would accept the establishment of the Trust Territory of the Pacific Islands.

³ A memorandum originally dated September 11, 1950, was handed to all the FEC powers on separate occasions during the fall of 1950. Mr. Dulles apparently handed a copy to Sir Esler Dening, Assistant Under Secretary of State in the U.K. Foreign Office, in New York on September 22. The memorandum was released to the press November 24. For texts of the memorandum and of the memorandum by Colonel Babcock of the conversation held between Mr. Dulles and Sir Esler, see *Foreign Relations*, 1950, vol. vi, p. 1296 and p. 1306, respectively.

⁴ Yakov A. Malik, Deputy Foreign Minister of the Soviet Union and Permanent Representative to the United Nations.

5. As regards security, the treaty would require Japan to accept the obligations of Article 2 of the Charter of the United Nations⁵ and the other parties would undertake reciprocally to be guided by those same principles with relation to Japan. Continuing cooperative responsibility between Japanese facilities and U.S. forces would be provided for as a further guarantee of peace and security in the Japan area. The facilities required, rights of movement of the garrison forces, sharing of costs and similar questions regarding the detailed implementation of the security arrangements would be the subject of a supplementary bilateral agreement between the United States and Japan. Forces of other treaty Powers might also cooperate by agreement with the United States under over-all United States command. The garrison forces would not have any responsibility or authority to intervene in the internal affairs of Japan, except at the request of the Japanese Government to assist in the suppression of internal violence. While the treaty would neither prohibit nor specially authorize the establishment of Japanese defense forces, it is natural to assume that the Japanese will progressively assume a larger part of the burden of their own defense. The treaty security provisions would remain in effect until the Powers providing garrison forces agreed that assumption of responsibility for Japanese security by the United Nations or some other security arrangement could be safely substituted.

6. In the political and economic fields, Japan would (a) declare its intention to secure the fundamental human rights to all persons under Japanese jurisdiction; (b) agree to adhere to multilateral treaties designed to prevent the misuse of narcotics and to conserve fish and wildlife; (c) agree to the revival of prewar bilateral treaties by mutual agreement of both parties within six months; and (d) renounce all special rights or interests in China. The power to grant clemency, reduce sentences, parole and pardon with respect to war criminals incarcerated in Japan would be exercised jointly by Japan and the Government or Governments which imposed the sentences in each instance and, in the case of persons sentenced by the International Military Tribunal for the Far East, by Japan and a majority of the Governments represented on the Tribunal. Pending the conclusion of new commercial treaties, Japan, during a period of three years, would extend most-favored-nation or national treatment, whichever is more favorable, on a reciprocal basis to the trade and business of the Allies, subject to normal exceptions and reservations permitted in the General Agreements on Tariffs and Trade.

7. All parties would waive claims arising out of acts taken during the war prior to September 2, 1945, except that (a) each of the Allied and Associated Powers would retain and dispose of Japanese property within its territories, except diplomatic and consular property and a few other limited categories substantially as set forth in the treaties of 1947; and (b) Japan would restore, upon demand, Allied property in Japan, or, if such property, whether or not taken under the control of the Japanese Government, is not restorable intact, would

⁵ Signed at San Francisco June 26, 1945. For text, see Department of State Treaty Series (TS) No. 993, or 59 Stat. (pt. 2) 1031.

provide yen to compensate for an agreed percentage of lost value. Japan would waive all claims arising out of the presence of the occupation forces in Japan since surrender.

8. Disputes concerning the interpretation or execution of the treaty not settled through the diplomatic channel, except disputes arising out of the security arrangements, would be referred for decision to the International Court of Justice, all of the treaty signatories undertaking to comply with the decisions of the Court. A specially established Arbitral Tribunal appointed by the President of the International Court of Justice from nationals of countries which were neutral in World War II would settle claims disputes. Disputes in connection with the security provisions would be settled through the diplomatic channel.

The foregoing outline is only suggestive and does not commit the United States Government with regard to content or language.

WASHINGTON, January 12, 1951.

Lot 54D423 : Office of Northeast Asian Affairs :
John Foster Dulles Japanese Peace Treaty Files

*Memorandum of Conversation, by Colonel C. Stanton Babcock of the
Department of Defense*

SECRET [NEW YORK,] January 13, 1951— 10:00–10:30 p. m.

Participants: Mr. Yakov Malik, USSR
USSR Translator and Recorder [unnamed]
Ambassador John Foster Dulles
Colonel C. Stanton Babcock

The conversation took place at the USSR Mission to the United Nations, 680 Park Avenue, New York City. The proposal to meet had been made through Ambassador Gross¹ on the preceding Thursday² and had been accepted by Mr. Malik only on Saturday, presumably after Mr. Malik had communicated with Moscow.

Mr. Malik congratulated Mr. Dulles on his new appointment. Mr. Dulles stated that in that capacity he wanted to inform Mr. Malik that, having completed the first round of talks on a Japanese Peace Treaty with the nations represented on the Far Eastern Commission and with Indonesia and Ceylon, the United States now felt it proper to discuss this subject informally with representatives of the Japanese Government and perhaps other responsible representative Japanese. He was, therefore, leaving shortly for Japan for the purpose of hold-

¹ Ernest A. Gross, Deputy Representative of the United States to the United Nations and to the Security Council.

² January 11.

ing such discussions. He emphasized that those talks would be merely for the purpose of ascertaining Japanese views and that no agreements would be reached. He went on to say that this procedure was in keeping with the United States view that Japan should be consulted with regard to the Peace settlement and that a treaty should not be arbitrarily imposed on her. Mr. Dulles said that he had given this information to the British and French ambassadors and that he wanted Mr. Malik to have the same information so that he would clearly understand the purpose of the Mission.

Mr. Malik asked why talks had been held with Indonesia and Ceylon which are not represented on the Far Eastern Commission while "a nation much closer to Japan and with great interest in Japan" had not been consulted.

After Mr. Malik had identified the "nation" to which he had referred as the "Chinese Peoples Republic", Mr. Dulles said: "You know why we haven't talked with them" but went on to point out that even though Communist China was not being consulted by the United States, he felt that there was nothing in the proposals which the United States had made in regard to a treaty to which any Chinese regime could take exception. He felt sure that all the Chinese people would want the peaceful and economically healthy Japan which we sought.

Mr. Malik agreed that all nations want peaceful and economically healthy neighbors and followed this remark immediately with the statement that an American newspaper (identified as a "small one") had described the Dulles Mission as having for its purpose the "re-armament of Japan". Mr. Dulles replied that that was not true. He asked Mr. Malik if his Government wished Japan to remain defenseless forever. Mr. Malik said that such were the terms of a "previous agreement", the resolution adopted by the Far Eastern Commission. Mr. Dulles remarked that that resolution had said that Japan was to be disarmed, that she had been, and again asked if Mr. Malik felt that Japan should remain helpless for all time.

Mr. Malik did not answer directly but remarked that his country had suffered twice from Japanese invasion and many times from German invasions while the United States had never had such an experience.

Mr. Dulles said that there was no intention on the part of the United States to allow any resurgence of militarism in Japan nor was there any desire for a large military force among the Japanese. He pointed out that the Versailles Treaty, in spite of the care with which its military clauses had been written, proved that restrictive treaties alone

do not guarantee disarmament. Mr. Malik countered with the statement that United States financial aid to Germany after the First World War had enabled Germany to rearm. Mr. Dulles pointed out very forcefully that there had not been one dollar of American aid after Hitler came to power and that had more aid been given the peacefully disposed Bruening Government, Hitler probably never would have come to power. He added that he felt no useful purpose could be served by discussing, during the current conversation, the German question which had many complications but that he did feel that if the Soviet Government really wished to promote peace it would cooperate in helping to settle the Japanese problem, and would not concentrate on raising obstructions to a peaceful understanding, and that there were no insuperable obstacles to reaching agreement on a Peace Treaty which would be acceptable both to the Soviet Union and to the United States, if there was a real will on the part of the Soviet Union. He said that such an agreement would help materially in easing the present strained situation and turning the world towards the road to Peace. He then reiterated firmly that the United States had no desire and no intention of following a course which would lead Japan to become aggressive or militaristic once more.

Mr. Malik repeated his concern over Japanese militarism citing several instances of past aggression on the part of the Japanese and then said that it was very difficult to draw a line between defense and militarism.

He then asked if the other nations with which the United States had consulted had agreed or disagreed with the United States views. He was informed that generally speaking there was agreement and that such differences as exist were of a kind that could be resolved if all concerned exercised good will.

Mr. Dulles then repeated his previous statement that his trip to Japan would result in no agreements and said that he wanted to be sure that Mr. Malik understood that point. He said that he would want to talk to Mr. Malik on his return and that he would be glad to do so again before leaving for Japan if Mr. Malik received any reaction from his Government in response to the last U.S. note. Mr. Malik replied that he would get in touch with Mr. Dulles if he received any word from Moscow.

Mr. Malik was friendly and polite during the discussion but showed obvious skepticism about the purpose of the Mission to Japan. He was more reserved than on the two prior talks about the Japanese peace.

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by the United States Political Adviser
to SCAP (Sebald)*

SECRET

TOKYO, January 16, 1951.

Subject: Visit of Ambassador Dulles

Participants: General MacArthur
Ambassador Sebald

General MacArthur said that his concepts as to how Ambassador Dulles' visit should be handled are as follows:

a. As SCAP, he, General MacArthur, wished Ambassador Dulles to operate on his own and without interference of any kind, on the premise that Ambassador Dulles heads an American Mission and therefore speaks for the United States Government point of view. General MacArthur felt that he should remain clear of all negotiations in order that no valid charges can be raised that he, as SCAP, is attempting to impose upon the Japanese the views of the United States Government.¹

b. General MacArthur stands ready at all times to act as a go-between to assist in reconciling divergent viewpoints, and above all else to give advice freely if called upon.

c. General MacArthur will be glad to receive Ambassador Dulles at any time that the latter requests an interview.

d. USPolAd, as the representative of the Department of State, is to be considered in entire charge of Ambassador Dulles' visit, and should provide the necessary office space, clerical assistance, etc., and arrange interviews as requested.

e. General MacArthur thought Ambassador Dulles would be well advised to utilize the broad knowledge of the local situation of USPolAd, and that the latter should be invited to sit in on all important conferences. He said, however, that this, of course, was a matter for decision by Ambassador Dulles.

f. The United States Army will be responsible for the Defense members of the Dulles Mission, and will provide office space, etc., to these members.

g. If the plane arrives at a "reasonable hour", General MacArthur will welcome Ambassador Dulles and his Mission at the airfield.

W. J. SEBALD

¹In the Department's telegram 1045 to Tokyo, January 10, marked "For General MacArthur from Dulles," the latter had stated in part: "I suggest that you may want to notify [Prime Minister Shigeru] Yoshida of impending mission arrival so that he will be prepared for serious discussions immediately after you and I have had a first opportunity to talk together and concert our views and programs." (694.001/1-1051)

794.0221/1-1751

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Special Assistant for Occupied Areas in the Office of the Secretary of the Army (Magruder)

TOP SECRET

WASHINGTON, January 17, 1951.

DEAR CARTER: Thank you for your letter of December 20, 1950, enclosing a revised draft United States-Japan bilateral security agreement.¹ I am happy to note that this draft embodies most of the suggestions offered in my letter of December 15[13].² There are only a few remaining points which I would like to bring to your attention, noted in the enclosed memorandum. These points have been gone over with Col. Babcock and Mr. Murchison and are believed to be acceptable to them.

In regard to your request for a revision of the Department's Draft No. 4 of the treaty of peace,³ I understand that you are now in possession of the latest treaty documents.

Sincerely yours,

DEAN RUSK

[Enclosure]

MEMORANDUM

Page 1, Preamble—It is believed that the State Department's previously suggested Preamble is to be preferred to that in the draft agreement, even with the changes therein. If the State draft as a whole is unacceptable, it is suggested that the following paragraph from that draft, originally appearing in the agreement concluded with Great Britain in 1941 regarding leased naval and air bases, be inserted in the revised Defense Department draft as a new fourth paragraph:

"And desiring that this Agreement shall be fulfilled in a spirit of good neighbourliness between the Government of the United States of America and the Government of Japan, and that the details of its practical application shall be arranged by friendly cooperation;"⁴

¹ For texts, see *Foreign Relations*, 1950, vol. vi, p. 1373.

² *Ibid.*, p. 1367.

³ Presumably the draft of September 11, 1950, *ibid.*, p. 1297.

⁴ This change was made in draft No. 4 of a United States-Japan Bilateral Agreement on Security, prepared in the Office for Occupied Areas, Department of the Army, January 18, 1951, not printed. (Lot 56D527: Office of Northeast Asian Affairs: Japanese Peace Treaty Files)

It will be necessary if the second paragraph of the Preamble and paragraph 1 are to be consistent with the penultimate paragraph of the chapter on security in the peace treaty that these paragraphs be revised to provide that a superseding security arrangement must be acceptable to all nations contributing to the security forces in Japan, not, necessarily, to the United States alone.⁵

Page 2, paragraph 5—It is assumed that the reference to “security forces of the United States and those of other signatories of the Treaty of Peace” is not intended to include Japan, though Japan will of course be a signatory. It is suggested that the word “Allied” be inserted before “signatories”.⁶

Page 2, paragraphs 6 and 7—In the general reorganization in Chapters II and III it would seem more logical to place paragraphs 6 and 7, dealing with the initial, peacetime disposition of our forces, ahead of paragraphs 2, 3, 4 and 5, dealing, except paragraph 5, with rights of disposition and maneuver in time of hostilities or threatened hostilities. Paragraph 8, dealing with the return of property used by our forces and claims, would appear later in connection with economic and housekeeping problems.⁷

Page 3, paragraph 8, second sentence—Reading of this sentence seems to indicate the need for substituting “such” for “private” and deleting “both real and personal” in the eighth line from the end.⁷

Page 5, paragraph 3—It is believed that the jurisdiction question can be more satisfactorily dealt with solely on the basis of the categories of persons subject to U.S. Service Courts and authorities, without reference to particular areas in Japan under U.S. control. The following draft is accordingly proposed in place of the present paragraph 13:⁷

“13. The Service Courts and authorities of the Government of the United States shall have exclusive jurisdiction over any offenses which may be committed in Japan by members of the United States security forces or by civilian personnel attached to such forces and subject to military law. If cases arise in which for special reasons the Service authorities of the Government of the United States may prefer not to exercise such jurisdiction the Government of Japan upon being so notified shall be free to exercise jurisdiction.”⁷

⁵ The suggested change was made in the Preamble of the draft cited in footnote 1 above, but not in its numbered paragraph 1.

⁶ The mentioned clause, as rewritten in the draft cited in footnote 1 above, read: “. . . security forces of the United States and those of other Allied and Associated powers contributing forces with the consent of the United States government. . . .”

⁷ The change suggested was not made in the draft cited in footnote 1, above.

Addition of the following might increase the acceptability of the provision to the Japanese:

“Assurance is given that the Service courts and authorities of the United States forces in Japan will be willing and able to try and on conviction to punish all criminal offenses which members of the United States forces may be alleged on sufficient evidence to have committed in Japan, and that the United States authorities will be willing in principle to investigate and deal appropriately with any alleged criminal offenses committed by such forces in Japan which may be brought to their attention by the competent authorities of Japan or which the United States authorities may find have taken place.”⁸

Page 7, paragraph 18—It is suggested that the words “in accordance with criteria or arrangements heretofore followed and” be omitted. This phrase would seem likely to lead to difficulties in connection with a contribution of Japanese forces, and to be unnecessary for other forces while the condition that the contribution must be “after agreement with the United States Government” remains.⁹

Page 7, paragraph 19—It is noted that the phrase “as determined by the United States”, giving the United States the right to say when hostilities threaten and the U.S. commander should therefore assume command of all forces in Japan, has been deleted. It would seem important that this right be clearly lodged in the United States, and that the phrase should accordingly be retained.

The words “prior to the adoption by the United Nations or otherwise of a security arrangement hereinbefore described,” included in the present draft, seem unnecessary, considering that paragraph 1 on page 2 prescribes the effective period of the whole agreement.

The previous draft spoke of placing “all armed forces” in Japan under the commander of the U.S. security forces in time of war. This has been rephrased to read: “. . . all allied or associated forces in Japan, the National Police Reserve, or any other Japanese forces which may be lawfully utilized by the Japanese Government for the defense of Japan . . .” The former, short phrase would seem adequate, and would avoid the question of whether the National Police Reserve is at present expressly authorized by law for use against external aggression.¹⁰

⁸ The change suggested was not made in the draft cited in footnote 1, above.

⁹ This change was made in the draft cited in footnote 1 above.

¹⁰ In the draft cited in footnote 1 above, numbered paragraph 19 of Chapter VIII reads as follows: “In the event of hostilities or imminently threatened hostilities in the Japan area, as determined by the United States government, all allied or associated forces in Japan, the National Police Reserve, and all other Japanese armed forces, shall be placed under the unified command of a Supreme Commander designated by the United States government after consultation with the governments committing forces to the defense of Japan.”

894.00/1-1851

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*¹

SECRET

[WASHINGTON,] January 18, 1951.

Subject: Japan

Participants: Charles E. Wilson, Office of Defense Mobilization ²
Sidney Weinberg, Office of Defense Mobilization
General Lucius Clay, Office of Defense Mobilization ³
John Foster Dulles, Department of State
John M. Allison, Department of State

Mr. Dulles called on Mr. Wilson to explain the purpose of his Mission to Japan insofar as it affected the operations of Mr. Wilson's agency. Mr. Dulles pointed out that, in accordance with the letter to him from the President, his Mission was to discover whether or not it would be possible to get a reliable commitment of the Japanese nation to the cause of the free world. In order to accomplish this, the United States would have to make certain military and economic commitments to the Japanese of a general nature. As far as the military side of the problem is concerned, there was complete agreement between the State and Defense Department over the necessity of contributing substantial forces to the defense of the island chain of which Japan forms a part. In regard to economic problems, if Japan is to be on the side of the free world, it will be necessary to assure that its industry can keep running and that it will receive sufficient quantities of the necessary raw materials, particularly coking coal and iron ore. It was from this point of view that Mr. Dulles wished to talk to Mr. Wilson and his associates, for if the United States were to use all of these materials for its own industry and not be willing to make reasonable quantities available to the Japanese, it would be futile to expect the Japanese to keep away from Communism. Mr. Wilson expressed complete agreement with the objectives outlined by Mr. Dulles, but pointed out that false hopes should not be held out to the Japanese and that they should be induced to be realistic in their expectations of what might become available. As the discussion progressed and it became evident that, insofar as iron ore and coking coal were concerned, Japan's needs were comparatively modest—5 million tons of the former and 2 million of the latter—both Mr. Wilson

¹ On January 16 Mr. Allison had been designated by President Truman as Deputy to Mr. Dulles, with a simultaneous appointment as Minister in the Office of the U.S. Political Adviser to SCAP.

² Mr. Wilson was Director of the ODM.

³ Mr. Weinberg and General Clay were both Special Assistants to Mr. Wilson.

and General Clay expressed the opinion that it would probably be possible to assure a continuance of these quantities if necessary. Mr. Dulles pointed out that Japan formerly had obtained large quantities of iron ore from Malaya and the Philippines and that these sources could possibly be re-activated so that the burden on the United States would be lessened. General Clay expressed considerable concern over any assurances of continuing large exports of cotton to Japan, as this commodity was apparently going to be in short supply.

General Clay pointed out further that it was not possible at this time to make any commitments regarding specific quantities or types of material which might be available and that presumably at some time it would be necessary for some agency of the Government, possibly the State Department, to make a decision as to what the priorities would be among all the various applicants for raw materials. Mr. Dulles stated that he understood this thoroughly and is not expecting any such commitments at this time, but merely wanted to apprise Mr. Wilson and his colleagues of the problem and of the necessity of being able to give some general assurance to the Japanese. Mr. Dulles emphasized that, should the Soviets obtain the industrial power of Germany and Japan, it would place them in such a position of strength that it would be necessary for the United States to spend more and produce more to offset this difference, so that it really was to the interest of the United States to make it possible for Japan to stay on our side. The meeting closed with Mr. Wilson's expressing complete understanding of the situation and agreement that it was important to keep the Japanese on our side.

Lot 54D423

*The Deputy to the Consultant (Allison) to the United States Political
Adviser to SCAP (Sebald)*

PERSONAL SECRET

WASHINGTON, January 19, 1951.

DEAR BILL: This will be a general catch-all letter to bring you up to date on some of the things that have been happening, some of our worries, and to explain to you what may have been a surprise to you, namely my assignment to Tokyo.

[Here follows Mr. Allison's discussion of his appointment as Deputy to Mr. Dulles.]

We have not said anything about it to the press, and do not intend to until the time comes nearer, but it is our intention at present that Dulles, Stan Babcock and I will go on down to Manila and Canberra

after our talks in Tokyo.¹ Bob Fearey is bringing with him not only this letter but many other papers, and you should get him to show you at once the letter of instructions to Mr. Dulles from the President² which will give you the general terms of reference of our Mission. This letter of instructions was approved not only by Secretary Acheson and Secretary Marshall, but also by all of the Joint Chiefs, so it is a pretty solid statement of general policy. It is in connection with that part of the letter which refers to exploring the possibility of a Pacific Ocean security arrangement that we would be going on down to Manila and Australia. Bob will also have with him Mr. Dulles' draft³ of a possible Pacific Pact. This is all very tentative at present and we, of course, will want to get your ideas about the matters, as well as those of General MacArthur. Assistant Secretary Johnson and General Magruder will not accompany us south, and it is possible that we will ask Bob Fearey to come back directly to Washington and bring back the results of our talks in Japan, although this has not been finally determined.

One of our problems will be keeping the military end of our Mission in line, I am afraid. Stan Babcock is all right in every respect, as I am sure you know, but General Magruder is a stubborn man, and sometimes is very irritating. He is inclined to want to keep a sharp rein on the Japanese and does not always show an appreciation of other people's sensibilities. He also is not completely sold, I think, on the idea of our pushing ahead with an early peace settlement although he has gone along with us to date. It may be that you will want to consider the possibility of suggesting to General MacArthur that he give a few words of caution to our military colleagues and let them know early in the discussions his general attitude which, as near as I can tell, is much more close to that of the State Department than is General Magruder's. Mr. Johuson, whom you may not know, is a nice young man, but has literally no experience in Japanese affairs, so I am not sure how much assistance he will be. Any ideas you have

¹ Mr. Dulles and his party, known collectively as the "Dulles Mission," left Washington on January 22 and arrived in Tokyo the evening of January 25. Ambassador Dulles, his wife, Mr. Allison, Robert A. Fearey of the Office of Northeast Asian Affairs, and Colonel Babcock left Tokyo for Manila on February 11. (Mr. Fearey had arrived in Japan somewhat in advance of the rest of the Mission, probably on January 23.) Earl D. Johnson, Assistant Secretary of the Army, John D. Rockefeller III, a Consultant to the Mission, and General Magruder arrived in Tokyo with Mr. Dulles but left Tokyo for Washington on February 10.

² Of January 10, p. 788.

³ Exactly which draft is here referred to is uncertain. For a draft of January 3, which forms the enclosure to a memorandum of January 4 from Mr. Allison to Ambassador at Large Philip Jessup, see p. 133.

A draft of January 9 forms the enclosure to a memorandum of that day from Mr. Dulles to Jack B. Tate, Deputy Legal Adviser (neither printed). Revisions in the January 9 draft were largely stylistic. (Lot 54D423)

as to how to handle this situation will be most gratefully received upon our arrival. Bob Fearey will show you, if you have not already seen it, the draft bilateral agreement prepared by Magruder's shop and will tell you some of our difficulties on that score. We understand that General MacArthur has approved the latest draft, and in general so have we, but I still think it leaves much to be desired.

Inasmuch as we will have more time than we did last summer, it will probably be possible to space out our various interviews so that there will be adequate opportunity for reflection and discussion among ourselves between various meetings. Mr. Dulles is very much interested in the economic problems in Japan's future and I know would welcome interviews with some of the Japanese leaders in the fields of economics and finance. He has been particularly concerned with what could be done to offset the loss of Japan's normal trading areas in China and Manchuria and the possible loss of Southeast Asian countries to Communism. Your ideas and those of your staff will be most helpful on points such as this.

Another problem which naturally concerns us is internal security in Japan prior to a peace settlement, and in this connection we were most interested in Finn's report from Hokkaido on the National Police Reserve.⁴ As you may know, the most recent *Saturday Evening Post* contained a long article with colored illustrations on the Police Reserve. I have not yet had time to read it, but intend to before I leave. I wish something could be done to prevent such articles being printed as I think they do more harm than good, but I know there is little, if anything, that you can do about it. In this general connection, in background talks which we have recently had with the press, Mr. Dulles has attempted to play down the idea that we are going out on a mission to re-arm Japan, and while we have not shrunk from stating that in our opinion Japan will sooner or later have to assume at least part of the burden of its own defense, nevertheless we do not wish this Mission looked upon as a re-armament mission. We are also stressing the fact that this is in truth an exploratory trip, that we do not intend to make any commitments or ask for any final commitments, but rather that we wish to assess the situation again and see how Japan is feeling now about the world situation and their part in it.

[Here follows a discussion of the Dulles Mission's traveling plans.]

With best regards.

Sincerely yours,

JOHN M. ALLISON

⁴ Reference is to Richard B. Finn, Vice Consul at Sapporo, and his despatch No. 48 to Tokyo of December 21, which had been enclosed with Tokyo's despatch No. 896 of January 4. Neither is printed, but see the partial summary in the memorandum of January 19, *infra*.

894.511/1-451

Memorandum by Mr. Douglas W. Overton of the Office of Northeast Asian Affairs to the Acting Director of That Office (Johnson)

SECRET

[WASHINGTON,] January 19, 1951.

Subject: National Police Reserve (Tokyo's despatches no. 896, Jan. 4, 1951, and 919, Jan. 9, 1951)¹

These two despatches contain the latest available information on the National Police Reserve. No. 919 is particularly interesting in that it is based on authoritative information received by Mr. Sebald from Major General Fox,² who is charged with over-all policy direction for the formation of the Reserve. The present status of the Reserve may be summed up as follows:

1. *Organization.* Under the direct supervision of the Civil Affairs Section, GHQ, SCAP. Units vary from 1000 to 5000 men. Officer Candidate School for men selected from ranks is in operation at Etajima.

2. *Support.* Japanese Government provides pay, allowances, lodging, transportation, and other needs that can be locally met. Civil Affairs Section provides American officers as instructors as well as necessary ordnance, ammunition, communications and technical equipment which cannot be manufactured or procured in Japan.

3. *Personnel.* To some extent the officer cadre includes former officers of the Japanese Army who have been depurged during the past six months. Relatively competent officers are available only as far as battalion level, with the result that so far it has not been possible to organize the Reserve on a regimental or divisional basis. *SCAP is contemplating depurging, with some exceptions, regular army and navy officers who entered the service subsequent to the Manchurian Incident of 1931.* This would provide a substantial reservoir of younger officers, previously employed below policy levels, to man the higher echelons of the Reserve. SCAP has also orally advised Yoshida that the Occupation has no objection to doubling the Reserve if the Japanese Government deems such action necessary or advisable.

4. *Armament.* At present only carbines. Plans have been made to provide light and heavy machine guns and 2.5 bazookas. It is hoped that eventually artillery and tanks can also be provided. GHQ has requested the Department of the Army to place procurement for the Reserve on an equal basis of priority with the ROK Army.

5. *Morale.* Excellent. Screening against communist infiltration considered effective.

6. *Disposition of forces.* Present plans call for stationing of 16,000 men in Hokkaido, with units at Obihiro, Engaru, and Penmoi (?).

7. *Political implications.* Soviet Member has not yet raised objections in the ACJ.³ However, Mr. Sebald has no doubt that they will eventually raise the issue, probably when a more definitive point in equip-

¹ Neither printed.

² Alonzo P. Fox, Deputy Chief of Staff, GHQ, SCAP.

³ The Allied Council for Japan was established and structured by the communiqué cited in footnote 3, p. 782.

ment and training has been reached. He believes that it is essential at this stage to lay the groundwork for countering the anticipated Soviet charges, which in the light of the facts set forth above can be rebutted only with considerable difficulty.

794.0221/1-2251

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State

SECRET

[WASHINGTON,] January 25, 1951.

Subject: Pay-As-You-Go Arrangements for Japan

At the Wake Island conference,¹ agreement was reached in principle that U.S. forces in Japan should be put on a pay-as-you-go basis, and the President directed the Secretary of the Army to work out recommendations with the Department of State and submit them to the President for his approval.

Representatives of the State Department have reached agreement with representatives of the Department of the Army and the Treasury Department that a partial pay-as-you-go policy, effective July 1, 1951, should be adopted for all U.S. occupation forces in Japan. The policy should provide for the payment of approximately 50% of the yen cost of the maintenance of all U.S. occupation troops in Japan, the remaining yen costs to be met by the Japanese Government. This policy will apply during U.S. fiscal year 1952, it being understood that future policy will be covered in a bilateral agreement to be effective simultaneously with the Japanese peace settlement, and that the whole question will be carefully reviewed before the 1952 arrangement is continued or extended to other areas.

A 50% arrangement is considered politically advantageous and for the fiscal year 1952 will involve dollar earnings for Japan approximately equal to the estimated deficit in Japan's international payments, which it had been proposed to defray by a GARIOA appropriation of \$140 million. The partial pay-as-you-go arrangement will eliminate the GARIOA appropriation request.

Recommendation

It is recommended that you sign the attached letter to Secretary Marshall,² enclosing the draft of a letter to be addressed by him to the President.³

¹ For documentation on the conference held at Wake Island on October 15, 1950, see *Foreign Relations*, 1950, vol. VII, pp. 946 ff.

² Not printed. The letter was sent January 30.

³ Not printed. This memorandum and its enclosures had been cleared by, among others, the Bureau of German Affairs.

In a memorandum of March 2 to Clement E. Conger, Staff Assistant in the Bureau of German Affairs, Mr. Fearey stated in part: "Institution of a 50% pay-as-you-go plan for the remainder of the occupation [of Japan] was finally approved by the President a few days ago." (694.001/3-251)

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs to the Consultant to the Secretary (Dulles)*¹

CONFIDENTIAL

TOKYO, January 25, 1951.

Jiro Shirasu, aide to Mr. Yoshida, came in on Tuesday and made a number of points which he asked me to pass on to you. There is reason to believe that he came at Mr. Yoshida's request. While many Americans have reservations about Shirasu personally, he has long been a close friend and adviser to Mr. Yoshida. He came to the United States as the personal representative of the Prime Minister about a year ago and had a number of conversations with Mr. Butterworth.²

1. Shirasu said that Yoshida has had to adopt the public position on rearmament which he has because (1) it would have been inappropriate for him as Prime Minister to take any other position in view of the Allied occupation decisions against Japan's maintaining armed forces; (2) criticism would have been occasioned in Australia, New Zealand and the Philippines which might have impeded a treaty; (3) the Japanese Government has not yet been directly apprised of U.S. plans and intentions with respect to Japan's future security. While Shirasu also mentioned Yoshida's concern over a revival of military influence in Japan, I obtained the impression, as has long been suspected, that Yoshida's equivocal position on rearmament has been a matter of public policy rather than of personal opinion.

2. The "no-war" provisions of the Constitution should and can without great difficulty be amended at an early date to permit rearmament.

3. The U.S. should utilize Japanese industrial capacity to the full in the coming period of shortages to help supply the needs of the free world. There can be no more effective way of firmly binding Japan to the free world.

4. Ambassador Dulles should leave to Mr. Yoshida the task of securing the support of other major parties for the treaty understandings which may be worked out. He should not seek to obtain that support himself through direct conversations with opposition leaders. (Ambassador Sebald has pointed to the obvious element of self-interest in this proposal, and believes that conversations with representatives of other parties should be held at some stage.)

5. Japanese Government economists are generally incompetent. Mr. Dulles should see leading private businessmen to obtain an accurate understanding of economic issues. Shirasu would be glad to arrange a meeting with such businessmen.

¹ This memorandum was also addressed to Mr. Allison.

² W. Walton Butterworth at the time of his talks with Mr. Shirasu was Ambassador-designate to Sweden, but was temporarily assigned duties connected with a Japanese peace treaty. Mr. Butterworth's memorandum of his conversation held May 1, 1950, with Mr. Shirasu, together with his memorandum of May 3 to the Secretary commenting on Mr. Shirasu's visit, neither printed, are filed under 694.001/5-150.

6. It would be a serious mistake, greatly reducing the benefits which may otherwise be derived from a treaty, to transfer title to the Ryukyus and Bonins from Japan. Japan is prepared to give the U.S. all required military rights there for as long as necessary, but the Japanese people will not understand why these peacefully acquired islands, populated, as they consider, by people as Japanese as any other, should be taken from them. Such action would be a continual source of bitterness, a bitterness shared by himself and other educated Japanese no less than by the masses.

In the course of a courtesy call which I paid with Mr. Boehringer³ on General Marquat, Chief of the Economic and Scientific Section,⁴ the General said that he would like very much to talk with Ambassador Dulles some time during his visit regarding basic Japanese economic problems. He mentioned some studies which his staff is preparing on the role which Japan might play in the production and trade of the free world.

³ Carl H. Boehringer, Counselor for Economic Affairs in the Office of the U.S. Political Adviser to SCAP.

⁴ Of SCAP.

Lot 56D527

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

TOP SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING JANUARY 26, 10:00 A M¹
Space

Ambassador Dulles expressed regret that General MacArthur had placed the Defense members of the Mission in a separate building. It was his understanding that all of the staff had been assigned to help him and that the Mission was to work as a unit. It was decided that the Defense members would keep their offices in the Dai Ichi Building but that rooms would also be made available for them in the Diplomatic Section. It was further decided that use might be made of the Allied Council rooms for conferences with the Japanese at a later date.

General MacArthur's Role

Ambassador Sebald read the attached memorandum² indicating that General MacArthur did not wish to play an active part in the Mission's work but only to be brought in if difficulties arose. Ambassador Dulles said that he had relied on General MacArthur's judgment as to the type

¹ The minutes of the Dulles Mission's staff meetings lack the usual lists of participants.

² Reference is apparently to Mr. Sebald's memorandum of his conversation with General MacArthur, January 16, p. 800.

of peace which could be made, and that the proposals which he would be trying to sell to the Japanese were basically General MacArthur's. If he failed he did not want to have placed himself in a position where it could be charged that the failure was due to the fact that General MacArthur had not been present to express his own views. His help was important particularly in connection with the bilateral. Do we get the right to station as many troops in Japan as we want where we want and for as long as we want or do we not? That is the principal question. General MacArthur said last June that Japan would give us this right and we have proceeded blindly on that basis. Any government which does give us such privileges, however, will be vulnerable to attack as having permitted a derogation of Japan's sovereignty. Our proposal is going to be difficult to put across. General MacArthur's influence is likely to be decisive; it is doubtful if the Mission can succeed without his help.

Ambassador Sebald said that General MacArthur had had a long talk with the Prime Minister a week ago and had told Ambassador Sebald that he had laid the groundwork for the Mission's task.

It was agreed that Ambassador Dulles would not endeavor to persuade General MacArthur to change his conception of his basic role in the discussions, but he would want and need General MacArthur's help.

Courtesies

Ambassador Dulles asked if there were any courtesies he should attend to, such as leaving a card on the Prime Minister. Ambassador Sebald said that there were not.

Non-Partisan Support

Ambassador Dulles said that anything the Mission did should have broad, non-partisan support so it could have confidence that agreements reached would not be repudiated after the treaty went into effect. Should he negotiate just with Mr. Yoshida? Ambassador Sebald recommended that Ambassador Dulles speak first with the Prime Minister and at that time ask for his suggestions on the matter. Ambassador Sebald thought that at some stage it would be advisable for Ambassador Dulles to talk with the opposition leaders. It was decided that Ambassador Dulles would tell Mr. Yoshida of the importance he attached to a broad basis of political support for the understandings achieved and see what proposals the Prime Minister came up with to meet this need. If the proposals were inadequate Mr. Dulles would tell Mr. Yoshida so and an effort would be made to evolve better ones.³

³ According to Mr. Fearey's minutes of the Mission's staff meeting held 10 a. m. January 27, Ambassador Dulles in part observed that the "... Versailles

Purpose of Mission

Ambassador Dulles described the purpose of the Mission to be to find out in very considerable detail what sort of treaty the Japanese are at least prepared to make with the United States. We do not want an agreement but we want to know we can get an agreement, that there is a genuine meeting of minds on all important issues. There should be a text with which the Japanese are familiar, one at least as detailed as the précis of the treaty handed the British, Australian and New Zealand Ambassadors in Washington.⁴ A United States-Japan understanding is the first thing to seek. If the U.S. does not deal with the British, for example, on the basis of a firm understanding with the Japanese they will raise all kinds of issues. If we have that understanding we can invite the British and others to come along and they probably will.

Procedure

Ambassador Sebald asked whether we would want to keep our disclosures to the Japanese out of the press. Ambassador Dulles replied that we would not need to discuss general U.S. treaty concepts in much greater detail than they are set forth in the already published U.S. seven-point statement of principles.⁵ It would be desirable, however, to keep the bilateral as secret as possible. We would not want to give the Soviets an excuse to say that we were going ahead alone, or to provide them with a pretext for invasion. Ambassador Sebald said that in that event it would be unwise to discuss the bilateral outside of the Government as there is no responsibility on the part of the opposition parties. Within the Government he thought it would be feasible to talk in confidence only at the highest levels, down to the rank of Vice-Minister. Foreign Office officials were more reliable than others and it might be possible to talk to lower officials of that Ministry. When General Magruder asked how we would then know that the Japanese as a whole accept what is agreed to, the reply was made that that problem would have to be discussed with the Prime Minister.

Treaty stigmatized the socialist government which signed it and provided the reactionaries with a platform on which they were able to climb to power.

"The U.S. draft looks like a liberal treaty but already there are rumblings against certain of the territorial provisions. We do not want to crucify the party that makes the treaty. Perhaps we should inform Yoshida that we are unwilling to negotiate unless he creates a coalition group with whom we can deal on a genuinely non-partisan basis and whose participation will guarantee, as far as anything can, that the treaty will stick. While Yoshida may have been making efforts in that direction some open manifestation is needed comparable to the inclusion of leading Republicans in the delegation to San Francisco. If the opposition parties do not like the treaty let them say so now." (Lot 54D423)

⁴ This précis forms the attachment to Mr. Allison's memorandum of a conversation held between Sir Oliver Franks, Ambassador Dulles, and other officials on January 12, p. 792.

⁵ Of September 11, 1950. For text, see *Foreign Relations*, 1950, vol. VI, p. 1296.

It was agreed that it would be advisable to seek a meeting of minds on the broad principles of the treaty before taking up the bilateral with the Japanese Government. The procedure might be to discuss the seven-point statement of principles first, then the eight-point treaty précis, and then the bilateral. Ambassador Sebald suggested that Mr. Allison and he call on Mr. Yoshida the following day and hand him copies of the seven-point statement of principles and the tentative agenda ⁶ prepared on the plane. Mr. Yoshida would then not have to come cold to his first meeting with Mr. Dulles, which might therefore be more fruitful. It was decided that this should be done.

Supervision of Post-Treaty Aid

General Magruder said that he had talked to General Fox about the question of possible post-treaty supervision of the Japanese economy and General Fox had said that such was not envisaged by responsible Headquarters officials. Ambassador Dulles said that if we give Japan post-treaty economic aid we may have to reserve rights in connection with that aid, but that we would not wish to put anything in the treaty on the subject. It was agreed that the Japanese might desire continuing advice from Mr. Dodge ⁷ and others but that if they do they will ask for it.

Mr. Rockefeller's Work

Ambassador Dulles said that one reason why he had invited Mr. Rockefeller to join the Mission was that he wanted it understood in Japan that we were not thinking entirely in military and economic terms but also hoped to strengthen long-range cultural relations between the United States and Japan.⁸ This was one phase of the Mission's work on which publicity was actually desirable.

Press Relations

It was decided that Mr. Allison should meet with the press daily to provide such information about the Mission's activities as could appropriately be revealed.

Meetings with Japanese Individuals and Groups

Ambassador Dulles said that he did not wish to have treaty talks with any Japanese unless the interview had been arranged through Mr. Yoshida. He did not want to appear to be going behind the back of the Government, or to give people an opportunity to report him as

⁶ Undated, printed *infra*.

⁷ Joseph M. Dodge, U.S. Minister and Financial Adviser to SCAP, 1949-1952.

⁸ For further information regarding the views of Ambassador Dulles concerning cultural relations, see the editorial note, p. 825.

having said something different from what responsible Government leaders had pictured him as having said. His present mission was for the purpose of negotiating with the responsible heads of the Government, and he did not wish to see as many private individuals or groups as on his previous visit. This did not mean, however, that he would not wish to see a few persons privately, such as a personal representative of the Emperor. Ambassador Sebald suggested that the best procedure might be for him to invite a selected list of prominent individuals to a number of receptions at his house where they could meet Mr. Dulles under semi-social conditions. Ambassador Dulles agreed that this would be the best plan. It was further agreed that it would be desirable for Ambassador Dulles, or in some cases Mr. Allison, to see the Chiefs of the Missions in Tokyo of the nations principally concerned with the Japanese peace settlement.

Pacific Pact

Ambassador Dulles raised the question of what he could say to the Prime Minister regarding a Pacific Pact. He suggested that without going into any detail as to what such a pact might contain he might be able to use the idea of a pact as a selling point with the Japanese. He could point out that the liberal type of treaty which the U.S. envisaged was encountering considerable opposition from certain countries, but that the United States was prepared to go the limit in assurances to Australia, New Zealand and the Philippines in order to obtain their assent to such a treaty if Japan, for its part, would agree to the security arrangements the United States proposed.

Purgees

Ambassador Sebald raised the question of whether Ambassador Dulles should see certain prominent purgees, such as Ichiro Hatoyama,⁹ likely successor to Mr. Yoshida as Prime Minister after a treaty. While noting that many observers believe that some purgees have the best knowledge of conditions to be secured in Japan, he recommended that Ambassador Dulles not see any purgees. Ambassador Dulles said that the occupation has put a pattern on Japanese life that is extremely artificial, and that he did not want to antagonize elements that are really very powerful. At the same time he did not wish to embarrass the occupation by seeing persons whom it had excluded from public life. No firm decision was reached on the question.

⁹ Ichiro Hatoyama had held portfolios in several prewar cabinets. Removed from the purge list later in 1951, he became Prime Minister in 1954.

Tokyo Post Files : 320.1 Peace Treaty

*Undated Agenda Handed the Prime Minister of Japan (Yoshida)*¹

[En route to Tokyo, January ?, 1951.]

SUGGESTED AGENDA

In addition to discussion of the general principles which should govern the future relation between Japan and the United States, the following specific topics are suggested for detailed discussion :

1. *Territorial*: How to carry out the Surrender Terms that "Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we may determine".

2. *Security*: How to provide for security following the ending of occupation.

3. *Rearmament*: What, if any, provisions should restrict Japan's future rearmament.

4. *Human rights, etc.*: What, if any, undertakings or declarations should be made by Japan in this respect and in relation to occupation reforms.

5. *Cultural relations*: What, if any, continuing relations can be developed in this respect.

6. *International Welfare*: To what international conventions dealing with elimination of trade in narcotics, preservation of wildlife, etc. should Japan adhere.

7. *Economics*: What, if any, provisions should restrict Japan's future economic activities as regards certain industries, e.g. ship building.

8. *Trade*: What will be the post-war basis of Japan's trade with other countries, e.g. "most-favored-nation".

9. *Fisheries*: Possible voluntary prohibition of Japanese use of United States conserved fisheries.

10. *Reparation and war claims*: What should be the treaty provisions in these respects. Japanese gold.

11. *Post-war claims*: How will Japan deal with GARIOA indebtedness.

12. *War criminals*: Where should reside the future authority over those convicted by war tribunals.

13. *Procedure*: What should be the future procedure, having regard to the probable attitude of the Soviet Union and the status of China.

¹This agenda was handed the Prime Minister during a conversation held January 26 between him, Ambassador Sebald, and Mr. Allison. Also handed to Mr. Yoshida was the document cited in footnote 5, p. 813.

Both these documents are enclosures to the unsigned memorandum of the mentioned conversation, not printed. (Tokyo Post Files : 320.1 Peace Treaty)

Lot 54D423

*Memorandum of Conversation, by Mr. Robert A. Fearey of the Office
of Northeast Asian Affairs*

CONFIDENTIAL

[Тоуко,] January 26, 1951.

Participants: John M. Chang, Korean Ambassador to the United
States
Ambassador Dulles
Mr. Fearey

[Here follows a discussion of questions relating to the Korean war.]

Ambassador Chang went on to say that President Rhee had strongly criticized him for the supplicative tone of his recent note¹ to the Department on the question of Korean participation in a Japanese peace settlement. President Rhee considers that Korea is entitled to participate as a matter of right, and should not have to plead for its proper place in the negotiations. Ambassador Dulles said that it has always been the U.S. position that Korea should participate, and that he has held as full discussion with the Korean Government regarding the treaty as with most FEC countries. He explained that with the initial discussions with our Allies completed, he had come to Japan to obtain the views of the Japanese Government on the United States seven-point statement of principles, following which he planned to talk again with representatives of the FEC nations, Indonesia, Korea and Ceylon. He said that the procedure of bilateral discussions had been adopted largely in order to deprive certain nations of opportunity to maintain that the North Korean and Chinese Communist regimes, rather than the Republic of Korea and the Chinese National Government, should represent Korea and China in the negotiations, and that the United States would continue to support the right of the ROK to participate in the Japanese peace settlement.

[Here follows a discussion of the offer to Ambassador Chang of the Prime Ministry of Korea.]

¹ Of January 20, not printed.

Lot 54D423

*Memorandum of Conversation, by Mr. Robert A. Fearey of the Office
of Northeast Asian Affairs*

TOP SECRET

[Tokyo,] January 27, 1951.

Participants: Dulles Mission
General MacArthur
Ambassador Sebald

[Here follows an evaluation by General MacArthur of the situation in Korea.]

Ambassador Dulles thanked General MacArthur for his illuminating exposition and, turning to the problem of the peace settlement, outlined his conception of how he and General MacArthur should work together for the common goal of an early, well conceived treaty. Noting that the security proposals which the Mission would be presenting to the Japanese are directly based on a memorandum submitted by General MacArthur last June,¹ he expressed the hope that General MacArthur would work in close cooperation and partnership with the Mission to secure Japan's acceptance of these proposals, of which he was in fact the author. Considering General MacArthur's assistance and support indispensable to the success of his mission, Ambassador Dulles said he did not propose to let General MacArthur off the hook. He neither intended to let himself move away from General MacArthur nor to let General MacArthur get away from him. He recognized that General MacArthur possessed Allied responsibilities as SCAP in addition to his purely U.S. responsibilities but hoped that in his U.S. capacity he would be willing to participate fully in the effort to achieve the desired understandings with the Japanese.

General MacArthur replied that he would be available to the Mission at any time day or night to contribute his advice and support. However, in order to avoid possible charges that he was employing his powers as SCAP to compel particular peace arrangements, he did not believe that he should participate in the day to day discussions but should remain available to throw his influence into the balance if difficulties developed. He went on to suggest that the Mission deal with the Japanese with complete frankness and honesty. Because SCAP Headquarters had followed this policy from the beginning it had won the respect of the Japanese: he was confident that Ambassador Dulles would find this approach more effective in dealing with a man like Yoshida than the sometimes devious practices of diplomacy.

¹ For General MacArthur's memoranda of June 14 and June 23, 1950, see *Foreign Relations*, 1950, vol. VI, p. 1213 and p. 1227, respectively.

Ambassador Dulles said that while he would prefer to have General MacArthur participate in all of the principal discussions he would accept his judgment as to the role which he could most effectively and properly play. He then went on to say that his goal on his present trip was to secure the agreement of the Japanese Government to the treaty concepts set forth in the U.S. seven-point statement of principles. He did not seek agreement down to the last particular but wanted the understandings to be sufficiently specific so that there would be no question but that final, detailed agreements could subsequently be signed. Once the United States and Japan had achieved a meeting of minds he planned to invite other concerned nations to join with the United States in concluding a multilateral peace on the basis agreed between the United States and Japan, making it clear, however, that the United States intended to go ahead whether or not the others joined it. It was his belief that if the United States left no doubt of its determination to proceed alone if necessary the Allies would follow. If, on the other hand, the United States revealed lack of determination and engaged in a hopeless attempt to negotiate a settlement which would meet the desires of all interested nations, we would never get a treaty. The success of this plan was entirely dependent, however, on our ability to secure Japanese agreement to the U.S. security proposals, and Ambassador Dulles accordingly inquired whether General MacArthur was as confident now as he was last June that these proposals would be acceptable.

General MacArthur stated that he had no doubts on this score. It was his opinion that Ambassador Dulles would find the reaching of satisfactory understandings with the Japanese the easiest part of his entire task. He had read the treaty draft prepared in the Department of State² and considered it a model document based on the highest statesmanship. He anticipated no difficulty in securing Japan's acceptance of it, but foresaw considerable difficulty with certain of the Allies, and wholly approved Ambassador Dulles' plan of procedure with the Allies. The British can be expected to be implacable in their determination to handicap Japan as a commercial competitor. The Philippines, which appear temporarily to have lost their self-respect, will doubtless demand reparations, but, realizing that they can get nothing from Japan, may come along if afforded reasonable prospect of future aid from the United States. Australia with its irrational fears largely borne of its isolated position will be a problem but with patient handling may be brought along. New Zealand with its more enlightened attitude should cause little trouble. Nationalist China will approve

² Presumably that of September 11, 1950, *Foreign Relations*, 1950, vol. VI, p. 1297.

almost anything we offer and Canada can be expected to be fully co-operative. India will probably also accept our proposals. Even the Soviet Union will find it hard to disassociate itself from any but the security provisions of so generous a settlement.

Commenting further on Ambassador Dulles' plan of procedure, General MacArthur said that the United States had thus far failed to appreciate that an essential attribute of world leadership is the capacity to act arbitrarily and even ruthlessly when the circumstances require. The British understood this during their period of world dominion but the United States, showing an excessive politeness and consideration for the views of others, had failed to provide the firm direction smaller nations respect and desire and which can alone give order and cohesion to the free world.

Ambassador Dulles then said that he was anxious that the understandings he hoped to achieve be broadly based and not depend entirely on one political party which might lose power soon after the treaty was signed. He said that in spite of its generally liberal character the treaty would contain unpopular features, and that history indicated that unless the opposition parties could somehow also be committed in advance to the treaty they would be certain to attack the Government which signed the treaty and the United States for those features, with good prospect of driving the Government from power. Citing the political capital which reactionary elements were able to make of the harsher provisions of the Versailles Treaty in Germany after the First World War, he asked General MacArthur whether he could offer any suggestions on this score.

In his reply the General indicated that he did not wholly share Ambassador Dulles' concern on this question. Although he had not discussed the matter with the Prime Minister, he thought it likely that Mr. Yoshida would call a general election "immediately after the treaty came into effect" (assumedly General MacArthur meant between the time of signing and ratification of the treaty) in which case he thought that the Yoshida Government would be returned by an overwhelming majority, in view of the great desire for a treaty and the generous nature of the settlement. He nevertheless believed that Ambassador Dulles should talk to the opposition leaders at some stage during his stay. He did not believe it advisable to leave the task of achieving non-partisan support solely to Mr. Yoshida, though he thought that the Prime Minister might be invited to have his emissaries present at the discussions. General MacArthur was of the opinion that these discussions, and the liberal character of the treaty itself, would win the wide political support which Ambassador Dulles desired, but warned that

there was no method by which that support could be guaranteed and a foolproof liaison between the United States and Japan established for the post-treaty period.

General MacArthur was emphatic in his opposition to what he understood to be the State and Defense Departments' view, partly supported by Treasury, that Japan should pay 50 percent of the local costs for the support of U.S. forces stationed in Japan after the treaty. He fully supported a 50 percent pay-as-you-go arrangement for the coming fiscal year, which, since Japan is obligated under international law to pay all of the occupation costs, would be regarded throughout Japan as a generous and statesman-like gesture. In the post-treaty period, however, he believed it essential that arrangements for the support of our forces be the same as with other sovereign countries where our troops are stationed. Whatever the equities of a 50-50 division in themselves they must be subordinated to the precedents in other areas, and these, General MacArthur maintained, all call for the support of our forces entirely from U.S. funds. The Japanese would completely fail to understand why they should be treated differently. If a discriminatory arrangement is nevertheless to be insisted on it would be pointless for the United States to pursue a treaty, since a treaty including or accompanied by such a provision would fail to restore Japan to sovereign, equal status.

Ambassador Dulles replied that the State Department had not committed itself to the proposal, pending discussion of the matter with General MacArthur. He noted that the Treasury proposal, under which the U.S. would be able to collect even more than 50 percent of total local costs if Japan's foreign exchange position permitted, was not closer to but actually further removed from General MacArthur's conception than the tentative State-Defense proposal, and that he had criticized it just prior to his departure for depriving Japan of any incentive to expand its foreign trade receipts.

General MacArthur said that having spoken at some length on behalf of Japan he now wished to present the other side of the coin by voicing his strong impatience with Japanese pleas that the Ryukyu Islands be left with Japan. When all that the United States asked in a treaty in every other respect a model of generosity was a chain of islands which had always been an economic drain on Japan and whose population was not Japanese, he believed that the Japanese should be prepared to grant the request. He recommended that the United States inform the Japanese that the matter simply was not open for discussion. It would be intolerable, he stated, for the United States to spend hundreds of millions of dollars transforming Okinawa into a

great defensive base without assurance, which title can alone give, that the Japanese may not later require us to give the islands up.³

General Magruder then inquired whether General MacArthur approved a proposal to permit Japan to work off its GARIOA indebtedness through annual contributions to the support of our forces in the post-treaty period. General MacArthur said that he did not. Although it was to the credit of the Japanese, and an encouraging sign that they had not lost their self respect, that they had expressed an intention to meet all their foreign financial obligations, it was clear that they could not do so, and it would be best for the United States entirely to renounce the GARIOA claim.

Ambassador Dulles inquired whether post-treaty garrison forces would be stationed away from population centers. General MacArthur replied that it was planned to move our forces out of the Tokyo area after the treaty and to establish the Headquarters in Yokosuka. In general, however, the forces would remain in their present installations due to the great cost of building new ones. Strong opposition could be expected were we to attempt to move our forces out of the Japanese communities in which they are now stationed because of the business they bring to those communities.

³ In a memorandum of his conversation held with General MacArthur January 23, Mr. Sebald had written in part: "I told General MacArthur that Prime Minister Yoshida had suggested to me, last week at a dinner party, the desirability of the Ryukyans retaining Japanese nationality. General MacArthur said that the answer to this would be an unequivocal 'no'. He said that he had flatly told Prime Minister Yoshida that he, General MacArthur, would be unalterably opposed to any arrangement which does not divorce Japan completely from these islands." (Tokyo Post Files: 320.1 Peace Treaty)

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING JANUARY 29, 10:00 A M
Meeting with Mr. Yoshida

Ambassador Dulles said that he did not know how many assistants the Prime Minister would bring with him that afternoon and asked members of the Mission to hold themselves in readiness to be present if necessary.

Correlation of Mission Work with SCAP

Ambassador Dulles mentioned again his desire to identify General MacArthur as closely as possible with the work of the Mission, both because of what he can contribute and because of the political situation at home. General MacArthur must be one hundred percent behind

the treaty. If he were to indicate that it did not exactly reflect his thinking or that he had been left out the treaty would be attacked by the Hearst-McCormick press and might be defeated in the Senate.

Ambassador Dulles accordingly suggested for consideration that he and the Prime Minister pay a "courtesy call" on General MacArthur after their first meeting. He said that he had talked with Ambassador Sebald who was skeptical of the proposal, fearing that it might give the Japanese or other Asiatics the impression that the authority of SCAP was being used to force unwelcome treaty terms on Japan. He thought that the Mission should use SCAP's help sparingly.

Colonel Babcock was in favor of Ambassador Dulles' proposal. He was sure that General MacArthur would handle the meeting so that the Prime Minister would realize that no pressure was being exerted. The time for such a call was after the first meeting. If made after a later meeting it might be thought that General MacArthur had in fact been brought in to exert pressure. General Magruder and Mr. Johnson agreed with Colonel Babcock, Mr. Johnson recommending that the call be a perfunctory one of only five or ten minutes. Ambassador Sebald said that if the power of the occupation was to be put behind everything the Mission did it would be hard to maintain the impression that the treaty had been negotiated between the Mission and the Japanese Government on a basis of equality.

Ambassador Dulles recalled that General MacArthur had expressed willingness to be brought in at any time and suggested that it might be wise to nail that down. It could be explained to the press afterward that the business talks had been here in Ambassador Sebald's office and that the call on General MacArthur had been for the purpose of keeping him informed. He doubted whether a purely ceremonial call would have the effect Ambassador Sebald feared, while it would have the desired political effect at home. From then on the Mission would work directly with Mr. Yoshida; there might not be another call on General MacArthur for a week. It was decided that the idea of such a call should be put up to General MacArthur by Ambassador Sebald. If he approved, the call would be made, Mr. Yoshida having been previously notified, and if he did not the idea would be dropped. Mr. Johnson said that he would in any event strongly recommend against Ambassador Dulles' calling on General MacArthur alone as that would appear almost to reduce Ambassador Dulles to the status of a go-between.

Ambassador Dulles' Speech

Ambassador Dulles mentioned that his America-Japan Society speech¹ had been approved by General MacArthur, who had pro-

¹ Text of Ambassador Dulles' address, "Peace May Be Won," made before the America-Japan Society at Tokyo February 2, is printed in the Department of State *Bulletin*, February 12, 1951, p. 252.

nounced it "eloquent and wise", and that helpful suggestions by Mr. Johnson and Ambassador Sebald had been incorporated. A Japanese translation was to be prepared for release to the Japanese press. Ambassador Dulles expressed some objection to the idea, advanced by the Army, of a tape recording of the speech, but Mr. Johnson said there was probably no way to stop it.

Reception for Ambassador Dulles

Ambassador Sebald said that lists had been drawn up for four receptions at his house to enable leading Japanese to meet Ambassador Dulles. The entire Mission was invited should the various members be able to attend. It was decided that the first reception would be on Wednesday and the second on Saturday.

Pay-As-You-Go

General Magruder said that the proposal for 50 percent pay-as-you-go after the treaty had been cabled to General MacArthur² and that he had approved, but that it was evident from the conversation on Saturday that he had changed his mind. General Magruder said that State had held that it was psychologically desirable for Japan to make some contribution in recognition of the security our forces would be providing Japan. There was also the question of whether Congress would be willing to appropriate more than was necessary each year to close the gap in Japan's balance of payments. General Magruder asked whether it would be advisable to wire Washington for instructions in the matter.

Ambassador Dulles said that the Mission should get the Japanese Government's reaction to the general proposition of our stationing troops here after the treaty before getting Washington excited over the pay-as-you-go question. Probably nothing would be decided until the Mission returned and told Washington that the matter had to be handled in this way or that, after which all would fall into place. Ambassador Dulles thought there was much force in what General MacArthur had said but that a position should not be determined until it was known whether an offer of partial or full pay-as-you-go would be necessary to secure acceptance of our over-all proposals by the Japanese. General Magruder said that a cable² had been sent to Washington transmitting General MacArthur's views and suggesting that Mr. Dodge hold up discussions of the question pending further word.

Mr. Rockefeller's Work

Ambassador Dulles asked Mr. Rockefeller whether he planned to make any speeches and Mr. Rockefeller replied that he planned to

² Not found in Department of State files.

discuss a possible speech before the America-Japan Cultural Society with Ambassador Sebald. In answer to Ambassador Dulles' query whether Mr. Rockefeller's activities were receiving publicity, Colonel Babcock said that they were, independently of the Mission's other work. Mr. Rockefeller said that he planned to take a trip to Kyoto or elsewhere outside of Tokyo and Mr. Dulles suggested that a plane be secured for the purpose.

Editorial Note

At a meeting held at 11 a. m. January 29, 1951 with Ambassador Dulles and Mr. Allison, Sir Alvary Gascoigne, Political Representative (with the personal rank of Ambassador) of the British Liaison Mission to SCAP, outlined on what he described as a "purely personal" basis the tentative views of his government concerning a Japanese peace treaty and Japanese rearmament. An unsigned "Text of Remarks" made at this meeting (apparently a verbatim transcript) is not printed in its entirety, but a section devoted to discussion of cultural relations between Japan and the "West" is given below. (For Mr. Dulles' summary of Sir Alvary's remarks on a treaty, see Mr. Fearey's minutes of the Dulles Mission staff meeting of January 30, page 830.)

"SIR ALVARY: . . . You also, Ambassador, mentioned in the summary of (I haven't read your memorandum yet), but you have mentioned that owing to the possibility that Japan might get into serious economic trouble by reason of the culmination of one of her chief sources of raw materials and one of her chief markets, something might be arranged on the lines of "an elite Anglo-Saxon Club", which seemed in the context in which I read it, in my telegram, to have mainly an economic significance. Would you possibly tell me exactly what was intended, what is intended, by you in this . . . [Ellipsis in the source text.]

"MR. DULLES: That phrase is I think quite possibly one I used. It was intended to refer more to cultural and social relations rather than relations of an economic character. I have a feeling that the Japanese people have felt a certain superiority as against the Asiatic mainland masses. Perhaps not a superiority as against the ancient cultures of China, from which they have drawn very heavily. But they have felt that the Western civilization represented by Britain, more latterly the United States, is perhaps sharing in that, represents a certain triumph of mind over mass which gives us a social standing in the world better than what is being achieved in terms of the mainland human masses of Asia, and that they think that they have also achieved somewhat the similar superiority of mind over mass and would like to feel that they belong to, or are accepted by, the Western nations. And I think that anything we can do to encourage that feeling will set up an attraction which is calculated to hold the Japanese in friendly association with us despite the fact that the mainland is in possession of the economic

means of setting up an attraction which we, perhaps, in those particular terms of economy cannot match. I think that at the time of the United Kingdom-Japanese Treaty of Alliance, there was a certain equivalent you might say, a certain social prestige attached to that relationship, which was full of meaning from the standpoint of Japan. And without contemplating the precise duplication of that and its military significance, I would think there is value in attempting to recapture that particular quality of relationship.

"SIR ALVARY: You are not contemplating when you talk about this association . . . [ellipsis in the source text] you are not . . . [ellipsis in the source text]. In your mind you haven't got anything in the shape of an agreement, signed agreement, or anything of that kind? It is merely getting together closer with Japan on cultural and social lines.

"MR. DULLES: That is correct. It might possibly be desirable to have what you might call 'an off-shore defense pact' if we establish a defense line on the island chain which would be encompassed with the Aleutians, Japan, U.S. and the Ryukyus, Philippines, Australia and New Zealand. That is something apart from what I referred to.

"SIR ALVARY: I am sure it is. May I break in to say that we can't discuss with you today the question of what we call the Pacific Ocean Pact. But I shall have some comments and I hope to have them tomorrow or the next day and I hope you will give me another interview later on.

"MR. DULLES: At the moment I am not giving any thought to that. Although if, as now seems likely, I pass on at the conclusion of my stay here, I go on to Manila, Canberra and Wellington, doubtless that would come up because the subject has been discussed with us by those government[s] in the past. I am not giving any thought to that at the present time. . . . [Ellipsis in the source text.]

"The reason why I asked Mr. Rockefeller to come on as part of this mission was because I wanted to have someone who would symbolize that cultural aspect, the possibility of exchange of scientific knowledge, students, and I would hope that your Government and other Western Governments, France, the Scandinavian countries, could all take an active part in making the Japanese feel that they had something to contribute that we welcomed and that our scientific knowledge, medical knowledge, political experimentation, etc. is available to their students because I believe that the good will that we can develop in that way is going to be indispensable to keep Japan over a long period in association with us as against the purely material economic attractions that can be set up by the mainland, as long as that remains Communist and they are in a position to open attractive markets and attractive sources of raw materials. Offsetting this is going to be a tough proposition for us, and I believe that this association of students and scholars, scientists, political students, can be very valuable in that respect. But I only contemplated that as a quite informal type of association.

"SIR ALVARY: I agree. That's exactly what I wanted to know. You had nothing concrete in mind?

"MR. DULLES: No.

"SIR ALVARY: . . . [ellipsis in the source text] and the association that you mention and so clearly described, and I entirely understand,

would be concreted a little bit by our making cultural bi-lateral treaties.

"MR. DULLES: And it is quite possible that Japan might become members [*sic*] of subsidiary agencies of the United Nations, such as UNESCO, which she would be eligible to join without actually being a member of the United Nations." (Tokyo Post Files:320.1 Peace Treaty)

The editors have been unable to identify the memorandum and telegram mentioned in the first quoted paragraph.

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*

SECRET

[Tokyo,] January 29, 1951.

Participants: Prime Minister Yoshida, Ambassador Dulles, Ambassador Sebald, Assistant Secretary Johnson and Mr. Allison

Prime Minister Yoshida called at 4:30 p. m. by appointment for his first interview with Ambassador Dulles on peace treaty problems. After the usual exchange of courtesies Mr. Yoshida stated that there were one or two points he wished to raise. He recalled his statements to Mr. Dulles last June that in dealing with the Japanese people it was necessary to consider their *amour-propre* and in this connection there were certain aspects of ordinances and legislation which had been inspired by the Occupation which, in Mr. Yoshida's opinion, should be altered prior to concluding a peace treaty. He stated that he was having a list of these matters prepared for presentation to SCAP. Mr. Yoshida specifically mentioned and emphasized the Occupation-inspired revision of the Japanese Civil Code with its consequent effect upon the family system in Japan. Mr. Yoshida recognized the benevolence and good will of much of the Occupation activities but stated matters such as the family system, which were of deep significance to the Japanese, had sometimes been ignored and that if some of the ordinances and legislation affecting such matters could be rescinded it would create a favorable atmosphere for the conclusion of a treaty.

The Prime Minister then went on to speak of certain economic problems which were of concern and he mentioned particularly necessity for expansion of fishing areas, increase in ship-building and also the necessity of continuing and increasing investments from the United States in Japanese industrial enterprises. Mr. Yoshida spoke of the long term necessity of trading with China, and while he realized that in view of the present communist domination of that country it would not be possible to expect great results in the near future, nevertheless,

he believed that in the long run the Chinese would adopt the attitude that "war is war and trade is trade" and that it would be possible for a reasonable degree of trade to take place between Japan and China. In this connection, Mr. Yoshida advanced the thought that Japanese business men, because of their long acquaintance with and experience in China, will be the best fifth column of democracy against the Chinese communists.¹ Mr. Dulles pointed out that many of these economic problems might be difficult to solve because of the interests of the various allied countries concerned. He made clear that many of the Allies would, for one reason or another, want to impose certain restrictions upon Japan. Mr. Yoshida seemed to feel that if the United States adopted a lenient attitude that was all that was necessary and that the other countries would follow suit. In fact, Mr. Yoshida's whole attitude towards the treaty was that it would be a comparatively simple matter to conclude and that the United States was in a position to put through almost anything it desired.

In connection with this attitude held by Mr. Yoshida, Mr. Dulles made clear that the treaty was a very serious matter and that it was not enough merely to have the Japanese people go through the form of accepting it but that it should, in fact, be really acceptable to all shades of opinion in Japan. Mr. Dulles, therefore, inquired of Mr. Yoshida what his opinion was as to the position of the opposition parties and what Mr. Yoshida's opinion was regarding the acceptability of a treaty along the general lines contained in the United States' seven-point memorandum. Mr. Yoshida seemed to believe that there would be no real difficulty in obtaining approval by the Diet of any treaty and informed Mr. Dulles that there was a secret agreement between the Liberal and the People's Democratic Parties with respect to treaty matters which would ensure approval. Mr. Yoshida gave the impression that the Japanese were so eager for a treaty that they would be willing to approve almost anything. Mr. Dulles re-emphasized the serious nature of the matter and his belief that no treaty would be successful or long lasting which was not understood by and substantially approved by a large majority of the Japanese people. Mr. Dulles, therefore, asked Mr. Yoshida what steps should be taken to consult with leaders of the opposition in order to make certain that they understood what the United States had in mind and were given an

¹ In his memorandum of a conversation held with the Prime Minister February 20, Mr. Sebald stated in part:

"The Prime Minister referred to a remark made during his first interview with Messrs. Dulles and Johnson, to the effect that 'it would be well if the Japanese could infiltrate into China for the purpose of selling democracy.' He said that upon reconsideration, he felt that this idea might [have] been misunderstood, and he had therefore dropped all further consideration of this proposal. He particularly wished me to mention his decision in this regard to Ambassador Dulles and Mr. Johnson." (Toyko Post Files : 320.1 Peace Treaty)

opportunity to express their views. While Mr. Yoshida did not seem to be willing to admit the necessity of talking with the opposition leaders, he nevertheless said he would have no objection to such talks but that he wished to caution Mr. Dulles against possible irresponsible statements by politicians. Mr. Dulles made clear that he did not wish to do anything behind Mr. Yoshida's back and that he would be pleased to have Mr. Yoshida or one of his emissaries present at any meetings with opposition leaders. Mr. Yoshida did not appear to think this necessary.

In an effort to elicit from Mr. Yoshida definite opinions on some of the major problems connected with the treaty, Mr. Dulles brought up the question of Japan's security and asked Mr. Yoshida for his views as to how this problem should be dealt with. The Prime Minister said that it was necessary to go very slowly in connection with any possible rearmament of Japan as he foresaw two great obstacles. The first was the danger that any precipitate rearmament would bring back the Japanese militarists who had now gone "underground" and might expose the State to the danger of again being dominated by the military. Mr. Yoshida said that it would be necessary to adopt legislation which would ensure that the military could not take over the Government as in the past and that other steps should be taken to avoid the dangers inherent in the recreation of a military class. The other obstacle which confronted Japan in rearmament was the economic one. Japan was a proud country and did not want to receive charity from anyone but the creation of a military force just at the time when Japan was beginning to get on its feet financially would be a severe strain and probably result in a lower standard of living. Here again, time would be necessary in order to lay a sound foundation for the economic support of any rearmament. Mr. Dulles stated that he recognized these problems but that in the present state of the world it was necessary for all nations that wanted to remain free to make sacrifices. He outlined some of the sacrifices which the people of the United States were making and then inquired whether the Premier was taking the position that the dangers mentioned constituted a reason for doing nothing or merely a recognition of obstacles to be overcome. Mr. Dulles pointed out that, at the present time, free nations of the world through the UN were endeavoring to create a system of collective security and that it was necessary for all who expected to benefit by such a system to make contributions in accordance with their own means and abilities. No one would expect the Japanese contribution at present to be large but it was felt that Japan should be willing to make at least a token contribution and a commitment to a general cause of collective security. While Mr. Yoshida did not make a definite answer to Mr. Dulles' question, the

idea of some form of collective security arrangement to which Japan could contribute seemed to appeal to him and he did say that Japan would be willing to make some contribution. No indication, however, was given as to what form such a contribution might take, and it appeared that Mr. Yoshida did not wish at this time to be definitely committed in any manner.

Mr. Yoshida said that the Foreign Office was preparing written comments on the American seven-point program and the suggested agenda of topics to be discussed which had been left with Mr. Yoshida previously and that it was hoped this document would be available tomorrow. He further stated that Mr. Sadao Iguchi was being appointed Vice Minister of Foreign Affairs and would be in direct charge of the detailed negotiations on the treaty. Mr. Iguchi would be able to speak for Mr. Yoshida and would be available to talk to Mr. Dulles and members of the Mission at any time after he had been formally installed in office which was expected to take place on January 30th.

At the close of the meeting Mr. Yoshida accompanied Mr. Dulles to make a courtesy call on General MacArthur and inform him of the general progress which had been made.²

JOHN M. ALLISON

² In an attachment headed "Evaluation" and dated January 30, Mr. Sebald wrote in part: "It is my view that the Prime Minister came to yesterday's conference totally unprepared to discuss detailed provisions and that his remarks were more in the nature of feelers rather than any effort to come to grips with the real problems. The Japanese position will, I believe, be partly disclosed in its memorandum based upon the 'seven points' and the 'agenda' left with the Prime Minister on January 26th."

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING JANUARY 30, 10 A M
Meeting with British Ambassador

Ambassador Dulles said that the meeting with the British Ambassador the previous day had been an interesting one.¹ Sir Alvary had read aloud an informal statement of current UK thinking on a Japanese treaty which there was every reason to believe was actually the

¹ For text of part of what is apparently a transcript of this meeting, see the editorial note, p. 825.

conclusions of the recent Empire Conference on the subject. He could not leave the statement in writing because the text was in process of clearance by the Commonwealth Governments. Ambassador Dulles summarized the main points of Sir Alvary's presentation as follows:

1. It was important that a formula be worked out for deciding what should be done with Formosa and the Pescadores, instead of leaving the matter up in the air as in our latest proposal.

2. Southern Sakhalin and the Kuriles should be turned over to the USSR in the treaty. Ambassador Dulles had asked why we should go out of our way to clear the Soviets' title to these territories if they were not parties to the treaty, a view with which Sir Alvary indicated personal sympathy.²

3. Some kind of war guilt clause should be included. Ambassador Dulles had indicated that he did not look with much favor on this idea.

4. The principal Allies should set up a system of economic controls outside the treaty to prevent Japan from accumulating a war potential. Ambassador Dulles had not been very sympathetic to this proposal, which he suspected had originated with Australia and New Zealand.

5. Consideration should be given to the distribution of Japanese-owned gold as reparations. Japanese assets in neutral countries should be confiscated and similarly distributed. Part of the Japanese assets in Switzerland consist of money remitted by the UK through the Red Cross for British prisoners which had not got through.

6. A ceiling should be placed on Japanese shipbuilding capacity, all capacity in excess of that ceiling being destroyed or dismantled. Mr. Allison said that the British appeared willing to leave Japan enough capacity for its own normal needs but not for the production of ships for export, in competition with British industry. Ambassador Sebald noted that Sir Alvary had previously told him that this point would not be pressed.

7. Japan should accord the Allies no less favorable civil aviation rights in Japan than they enjoyed before the peace treaty.

8. The treaty should obligate Japan to negotiate fishing agreements to limit poaching and intelligence activities of Japanese fishermen.

9. Consideration should be given to continuing certain occupation ordinances such as the purge restrictions for a period of years.

10. A regional defense pact with Japan was probably impractical at the present time but should be kept in mind for the future. A U.S.-Japan bilateral security agreement should be concluded coincident with the treaty.

11. Claims for damage to Allied property in Japan should be fully met by Japan.

12. Pre-war treaties should be revived at the option of the Allies alone.

Mr. Johnson noted that the UK proposed no restrictions on Japanese rearmament except the exclusion of submarines and strategic air. Gen-

² According to the document cited in footnote 1 above, Sir Alvary had also stated: "Agreements should also be recorded that the Ryukyu and Bonin Islands should be placed under United States trusteeship."

eral Magruder said that the JCS favored no restrictions but hoped that Japan would concentrate on land forces at least initially. Mr. Allison recalled that Sir Alvary had said that the UK was thinking in terms of eight Japanese divisions. Ambassador Dulles said that he did not believe that the British intended to put any restrictions in the treaty but only to encourage the Japanese along certain lines. They proposed reliance on economic measures to achieve desired security controls. Ambassador Dulles thought the idea of long-range economic controls utterly impractical, citing the difficulties now being experienced in controlling shipments to the USSR and Red China. The proposal would simply lead to a black market in the prohibited items. He considered the UK views of the first importance, however, and suggested that the Defense members review them from a military point of view while the State members did so from a political and economic point of view. He said that a further meeting with Sir Alvary was scheduled for Thursday or Friday.

Meeting with the Prime Minister

Ambassador Dulles described the meeting as a curious one, "a puff ball performance". He had found it very difficult to get the conversation around to a point where he could get any reaction at all from Mr. Yoshida. The Prime Minister had let drop some clues, however, and perhaps more would be revealed by further study of his remarks.

[Here follows a detailed résumé of the meeting with the Prime Minister along the lines of the memorandum of conversation, page 827.]

Mr. Johnson questioned the wisdom of Mr. Dulles' dealing with Mr. Yoshida's designee, Sadao Iguchi,³ on the grounds both that he had had a record of militaristic tendencies and that he was of insufficient rank. Mr. Allison, on the other hand, expressed the belief that he was no more culpable than any other career official, and Ambassador Sebald did not consider his rank an important obstacle. Ambassador Dulles pointed out that one government cannot dictate to another who it is to have represent it. He said that he did not expect to have extensive personal dealings with Mr. Iguchi but would be entrusting the discussions to Mr. Allison, who would represent him as his deputy in the same way that Mr. Iguchi did the Prime Minister.

It was decided that Ambassador Sebald would arrange for several of the opposition leaders to call on Ambassador Dulles the following day.

Ambassador Dulles described his and the Prime Minister's visit to General MacArthur as a purely courtesy call. The General had wished them well and said he would be glad to try and help out if

³ Mr. Iguchi shortly became Vice Minister of Foreign Affairs.

they encountered difficulties. Ambassador Sebald suggested that Mr. Yoshida's decision to drive to the meeting with General MacArthur separately and to use the back entrance may have been intended to indicate to Ambassador Dulles that he did not wish the discussions to appear to be under the influence of the occupation authorities.

694.001/1-3051

*Undated Memorandum by the Prime Minister of Japan (Yoshida)*¹

[Tokyo—1951.]

SUGGESTED AGENDA

I. *Territorial*

1. It is proposed that the Ryukyu and Bonin Islands be placed under U.N. trusteeship with the United States as administrating authority. While Japan is ready to meet in any manner American military requirements, and even to agree to a lease under the Bermuda formula,² we solicit reconsideration of this proposal in the interest of lasting friendly relations between Japan and the United States.

2. We ask that the following points be considered in the interest of the lasting American-Japanese friendship.

(a) It is desired that these islands will be returned to Japan as soon as the need of trusteeship disappears.

(b) They be allowed to retain Japanese nationality.

(c) Japan will be made a joint authority together with the United States.

(d) Those inhabitants of the Bonin Islands and Iwojima who were evacuated to Japan proper, either during the war by Japanese authorities, or after the war's end by U.S. authorities, who number about 8,000, will be permitted to return to their respective home islands.

II. *Security*

The views of the Japanese government on security are as follows.

1. The security of a nation must be preserved by the nation itself. Unfortunately defeated Japan cannot rely upon herself alone for self-protection.

¹ This memorandum was handed to a member of the Dulles Mission by January 31. It bears a typed marginal note: "I am setting forth below my private views, on which the cabinet is yet to be consulted. They do not, therefore, represent necessarily the official and final opinion of the government.—S[higeru] Y[oshida]".

² Presumably a reference to the arrangement between the United Kingdom and the United States relating to naval and air bases, embodied in notes exchanged at Washington, September 2, 1940. Text forms an annex to an agreement regarding the leased bases signed at London, March 27, 1941. See Department of State Executive Agreement Series (EAS) No. 235, or 55 Stat. (pt. 2) 1560.

2. Japan will ensure internal security by herself. But as regards external security, the cooperation of the United Nations and, especially, of the United States is desired through appropriate means such as the stationing of troops.

3. Such an arrangement, as indicated above, should be made apart from the peace treaty, as providing for cooperation for mutual security between Japan and America as equal partners.

III. *Rearmament*

1. As a question for the immediate present, rearmament is impossible for Japan for the reasons as follows.

(a) There are Japanese who advocate rearmament. But their arguments do not appear to be founded on a thorough study of the problem, nor do they necessarily represent the sentiment of the masses.

(b) Japan lacks basic resources required for modern armament. The burden of rearmament would immediately crush our national economy and impoverish our people, breeding social unrest, which is exactly what the Communists want. Rearmament, intended to serve the purposes of security, would on the contrary endanger the nation's security from within. Today Japan's security depends far more on the stabilization of people's livelihood than on armament.

(c) It is a solemn fact that our neighbor nations fear the recurrence of Japanese aggression. Internally, we have reasons for exercising caution against the possibility of the reappearance of old militarism. For the immediate purpose we should seek other means than rearmament for maintaining the country's security.

2. Nowadays international peace is directly tied up with internal peace and order. In this sense, we must preserve domestic peace, for which we are determined to assume full responsibility by ourselves alone. For this purpose, it will be necessary for us to increase forthwith the numbers of our police and maritime security personnel and reinforce their equipment.

3. We desire consultation on the question of Japan's specific contribution to the common defense of the full ³ world, in which we are eager to play a positive role.

IV. *Human Rights, etc.*

1. Japan supports without reservation the Declaration of Human Rights. The various principles set forth in that declaration are fully embodied in our new constitution. If you should deem it necessary for Japan to make a declaration on this matter, we have no objection.

2. It is desired that the peace treaty will avoid any stipulation calculated to perpetuate rigidly and unalterably the various reforms effected under the Occupation.

³ In the original, the word "full" is crossed out and the word "free" is penciled in above it.

It is hoped that prior to the termination of occupation the Allied Powers will consider the abolition or modification of such measures as have been taken solely for the purposes of occupation control or those that have proved unsuited to the actual conditions of Japan. This would facilitate smooth transition from occupation to normalcy and serve to promote the friendly relations between Japan and America.

V. *Cultural Relations*

It is our fervent wish to be allowed to take a positive part in the cultural interchange between nations. The strengthening of cultural ties between Japan and the United States is a fundamental question that concerns the Japanese-American friendship. We would like to take all possible measures to promote cultural cooperation between the two countries.

VI. *International Welfare*

Japan will observe faithfully all the prewar international agreements in this field, to which she is a party. We are also ready to adhere to other agreements made during and after the war, such as the Constitution of World Health Organization⁴ and the International Sanitary Convention.⁵

⁴ Of July 22, 1946. For text, see Department of State *Bulletin*, August 4, 1946, p. 211.

⁵ For text of the Protocol to prolong the International Sanitary Convention, 1944, modifying the Convention of June 21, 1946, dated at Washington April 23, 1946, see Department of State Treaties and other International Acts Series (TIAS) No. 1551, or 61 Stat. (pt. 2) 1551.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING JANUARY 31, 10:00 AM
Ambassador Dulles' Press Conference

Ambassador Dulles said that he planned to make three main points at his press conference that afternoon:

1. The Mission is in Japan to hold discussions regarding a peace settlement. It is not here to conclude agreements. It is hoped that agreements will follow further consultation with the Allies.

2. The discussions will not re-open matters already settled in the surrender terms.

Ambassador Dulles explained that the United States might want to re-open the Ryukyus question but if it does so it would be for its own reasons. The Japanese should not be allowed to re-open the issue since they agreed in the surrender terms to the limitation of their territories to the four main islands and such other islands as the Allies might determine.

Ambassador Dulles went on to say that there were aspects of the Ryukyus question in addition to its purely military aspects which needed to be considered. The United States should not lightly assume responsibility for nearly a million alien people thousands of miles from its shores. We do not want another Puerto Rico. It is possible that the civilian aspects of the matter, such as the questions of cost, customs and immigration, may not yet have been given sufficient consideration.

General Magruder commented that the United States will have to have control over the Ryukyus population or the islands cannot be made into a strong fortress. Our principal concern, he said, has been that there should be no tariff barriers between Japan and the Ryukyus after the treaty. The Ryukyus are dependent on trade with Japan; if that trade were cut off the cost of their support to the United States would be increased. The United States could permit free movement of peoples but would have to retain the right to stop or restrict such movement if necessary.

Ambassador Dulles said that his statement today should put an end to Japanese discussion of the issue. He also planned to tell the Prime Minister that the Ryukyus were not open to discussion. It is up to the Allies to decide how they wish the islands disposed of and administered. Mr. Johnson said that he believed there had been a lack of appreciation of certain aspects of the Ryukyus question at the top levels of the United States Government and that the matter would require further high level consideration. Ambassador Dulles agreed but said that we should take up the question at home and not permit the Japanese to build a fire under us.

3. The Mission has nothing to do with the occupation. Such questions as a possible relaxation of the purge are solely within the responsibility of SCAP, the FEC and the Allied Council.

Second Meeting with British Ambassador

Ambassador Dulles said that he would be meeting with Sir Alvary again on Friday at 11:00. The Mission should have its comments on the UK memo ¹ ready by that time.

¹ No memorandum of United Kingdom origin regarding that government's position on a peace treaty at this particular time has been found in Department of State files. For citation of British views presented orally to Mr. Dulles on January 29, and for Mr. Dulles' summary of this presentation, see the editorial note, p. 825, and Mr. Fearey's minutes of January 30, p. 830, respectively.

US-Japan Bilateral

Ambassador Dulles said that it might be necessary to handle the security provisions of the treaty in a somewhat different manner from that which had thus far been contemplated. He inquired whether the United States-Japan military bilateral agreement was intended to be a public agreement, filed with the United Nations. General Magruder replied that it was, whereupon Ambassador Dulles said that it might be advisable to be less explicit in the treaty, putting some of the security material now in the treaty into the bilateral. General Magruder said that there was considerable purpose in keeping this material in the treaty itself in order to clear with other nations the restrictions to which they must conform in stationing troops in Japan. Ambassador Dulles said that it would be advisable prior to detailed discussions of the bilateral to have the garrisoning and security problem gone over carefully to see what should go in the treaty, what should go in the bilateral, and what might possibly be a private understanding between the United States and Japan which would not have to be approved by the Diet or registered with the UN.

*The Prime Minister's Paper*²

Ambassador Dulles noted that the points advanced regarding the Ryukyus in the paper had already been discussed. As to the security section, it was suggested that the reference to "equal partners" might open the way to a fifty-fifty cost sharing arrangement. Ambassador Sebald, however, said that he had interpreted the phrase to mean that the United States and Japan would each support their own troops. In discussing Mr. Yoshida's statement in the Rearmament section that "we have reasons for exercising caution against the possibility of a reappearance of the old militarism", it was pointed out that the Japanese Government was having trouble securing effective officers for the present police reserve. If it were to expand the reserve or develop an army it would have to dig deeper and deeper into the old militarist class.

In connection with the paragraph on Human Rights Mr. Johnson suggested that it would be a good idea to ease Japan's transition to post-treaty status by starting now to phase out reforms that experience has proved ill-adapted to Japanese circumstances. Ambassador Sebald approved this suggestion but said that the question of whether it could be followed lay with SCAP. Mr. Allison felt that much depended on how the phasing out was done. Ambassador Dulles recalled Mr. Yoshida's statement that the government was preparing a list for presentation to SCAP, and said that it was essential that the Mission not place itself in the position of intermediary between the Japanese

² *Supra.*

Government and SCAP on such matters. Mr. Rockefeller said that the paragraph on Cultural Relations seemed a very full and adequate statement. Ambassador Dulles said that our position on the Economic Section would have to be that there are difficult problems involved and that we are under pressure from our Allies. He inquired what excess shipbuilding capacity actually consisted of in physical terms, and it was agreed that the Defense members of the Mission would find out from the responsible SCAP officials. Reverting to the provisions regarding the inhabitants of the Bonin Islands in the Territorial Section, Ambassador Dulles asked if there would be objection to permitting these people to return to the Bonins. General Magruder said that this would probably involve additional expenditure by the United States Government. It was noted that the problem had important humanitarian aspects, since these people and their forebearers had lived in the islands for generations.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 1, 10:00 AM

Ambassador Dulles' Speech

Ambassador Dulles said that Mr. Rusk had telephoned ¹ with reference to his speech and had cleared it with certain modifications. As revised, the key paragraph refers to the "retention" of US forces in Japan rather than to a "committal" of such forces. Ambassador Dulles said that he had avoided the use of the word "retention" because of its possible connotations as signifying a continuation of the occupation. He guessed that Washington had changed it due to the controversy over the President's power to send US forces abroad in peacetime.²

Meeting with Democratic Party Leaders

Ambassador Dulles said that the meeting with the Democratic Party leaders had been generally satisfactory, going to the heart of the prob-

¹ No memorandum of this telephone conversation has been found in Department of State files.

² In telegram 1197 to Tokyo, January 31, marked "For Dulles from Rusk", the Department had stated in part that the mentioned change had been "requested by highest authority". Another portion of the telegram read: "FYI President did not have opportunity to read entire text but expects to do so prior to ur delivery. Entire text read by Sec." (694.001/1-3151)

lem in a more fundamental way than the first meeting with Mr. Yoshida. Ambassador Dulles mentioned that he had sought to discourage action which might contribute to popular pressure for the return of the Ryukyus. The Democratic representatives seemed disposed to cooperate on the whole. They were critical of the Prime Minister on the grounds that he had refused a non-partisan handling of the treaty. Ambassador Sebald said that there was considerable politics involved here, the Democrats having demanded three places in the Cabinet which Yoshida had refused to grant. Mr. Tomabechi,³ who said that he had not quite finished his questions when the interview ended, accepted Ambassador Dulles' offer to submit a memorandum⁴ raising these questions and expressing any further views the party wished to present.

Second Talk with Yoshida

Ambassador Dulles said that he and Mr. Yoshida had gone over the memorandum submitted by the Prime Minister. He had emphasized to Mr. Yoshida the undesirability of allowing a campaign about the Ryukyus to get under way. Mr. Yoshida had seemed to accept this position. Ambassador Dulles said that the meeting had been more satisfactory than the first one, specific problems of the security arrangements and stationing of troops having been discussed.⁵

Paraphrase of Treaty

Ambassador Dulles said that he had asked Mr. Fearey to prepare an expanded paraphrase of the multilateral treaty draft drawn up in Washington. The paraphrase would be handed to the Japanese for their views.⁶

Raw Materials Allocation

Ambassador Dulles said that he had had dinner with General Fox and had mentioned the necessity of proper planning so that the Japanese would be able to make an effective case after the treaty for their imported raw material requirements. Ambassador Sebald said that it might not be too early to begin sending Japanese to Washington to learn the ropes on this question. General Magruder said that he had been pressing this proposal from Washington. Ambassador Sebald

³ Gizo Tomabechi, Chairman of the Supreme Committee of the People's Democratic Party.

⁴ No memorandum such as is described here has been found in Department of State files. However, a memorandum by Mr. Fearey of Ambassador Dulles' conversation held January 31 with Mr. Tomabechi and other leaders of this party is in Lot 54D423.

⁵ No memorandum of Ambassador Dulles' conversation held January 31 with the Prime Minister has been found in Department of State files.

⁶ See the provisional memorandum of February 3, p. 849.

said that had an instruction been sent him he would have been able to raise the matter directly with General MacArthur and very possibly secured his approval of the plan.

Ambassador Dulles' Press Conference

Ambassador Dulles said that his press conference the previous afternoon had gone off smoothly with few questions.

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 2, 9:30 AM

Meeting with British Ambassador

Ambassador Dulles said that he would be meeting with the British Ambassador at 11:00 to give him our comments on the UK views. He said that there was complete agreement on all but one point (ship-building) where we could not accept the British position.¹

Australian Military View

Mr. Johnson said that he had been informed by General Robertson² that no matter what the Australian Government might say, the Australian military desired the type of agreement with Japan which we have in mind.

Participation of Allied Forces

General Magruder said that he had asked the Japanese representatives at a recent meeting how they felt about the stationing of non-US forces in Japan. The Japanese had strenuously objected, at least prior to the conclusion of a general collective security arrangement. General Magruder said that since the JCS did not desire token forces, the Defense members of the Mission had excluded the possibility of non-US forces from the proposed agreement.

¹ In a memorandum of the conversation held February 2 between Ambassador Dulles and Sir Alvary Gascoigne, Mr. Fearey stated in part that the Consultant had said that the United States thought it would be fatal to the peace treaty to require destruction of any industrial property and that no government required to carry out such destruction five or six years after the conclusion of hostilities could be expected to survive. "Sir Alvary said that he understood our position perfectly but was afraid that his government felt very strongly in the matter." (Tokyo Post Files: 320.1 Peace Treaty) Concerning this conversation see *infra*.

² Lt. Gen. Sir Horace Clement Hugh Robertson, Commander in Chief of the British Commonwealth Occupation Force in Japan.

Ambassador Dulles said that this was probably better. All that token forces would do would be to satisfy the national pride of the contributing countries, giving them a voice in everything which they had not really earned. The situation is different in Korea where we wish as many nations as possible to be committed on our side. Colonel Babcock noted that one reason the Japanese had objected to non-US forces was that they feared that an Allied force would create the impression in Japan that the occupation was continuing.

Farewell Reception

It was decided that Ambassador Dulles would give a farewell reception at the Imperial Hotel on February 10. The Ambassador said that it would be desirable for the Mission to stay together until it finished its work, and that he would accordingly telegraph Secretary Marshall and Secretary Pace requesting that Mr. Johnson be permitted to remain through the end of the week.

*Meeting with Ryokufukai*³

It was decided that Ambassador Dulles would meet with representatives of the *Ryokufukai* Tuesday afternoon.

Public Statements Regarding Ryukyus

Ambassador Dulles said that he was worried about reports from Washington that the Mission was considering Japanese desires for the return of the Ryukyus. He said that such statements tended to undermine the position the Mission had taken regarding the Ryukyus. It was agreed that Ambassador Sebald would send a cable in the matter to Washington.⁴

Inspection of National Police Reserve

Ambassador Sebald mentioned that General MacArthur had suggested that Ambassador Dulles visit units of the Police Reserve incognito. It was decided that such a visit by Ambassador Dulles or by any other member of the Mission might give rise to undesirable comment and should therefore not be made.

³ The Green Breeze Society, a political faction with a number of adherents in the House of Councillors.

⁴ Telegram 1491, February 2 from Tokyo, marked "From Dulles for Rusk", reads as follows:

"Reference UP despatch dateline Washington February 1, reporting administration officials stated desire Japan retain Ryukyus, Bonins and Kuriles matter for discussion SCAP and myself with Japanese leaders.

"In statement to press January 31 I stated 'neither our present consultations nor future decisions can be expected to reopen specific decisions already made and accepted by surrender terms.' Purpose this statement was to stop growing inclination on part Japanese raise Ryukyus and Bonin Islands question and to obviate further discussions with Japanese on this point at this time." (694.001/2-251)

694.001/2-251

*Memorandum Concerning a Conversation Between the Consultant to the Secretary (Dulles) and the Chief of the British Liaison Mission in Tokyo (Gascoigne)*¹

REMARKS OF SIR ALVARY GASCOIGNE AT MEETING WITH AMBASSADOR DULLES FEBRUARY 2, 1951 AT 11:00 A.M.

The following are United Kingdom Chiefs of Staff's comments on proposals made by Ambassador Dulles for Pacific defense.

First of all, dealing with the *peace treaty*:

United Kingdom Chiefs of Staff have reaffirmed their preference for having defense pact separate from peace treaty. They consider that the United States proposal to include security provisions in the peace treaty would be likely to give the impression that such provisions have been imposed and this might imply that any subsequent defense pact had not been freely entered into. Chiefs of Staff welcome the intention to include a supplementary bi-lateral agreement between the United States and Japan, but they consider that this agreement should be the appropriate instrument for providing for *all* main aspects of Japanese security and rearmament and that it should not be restricted to matters of detail.

I now pass to the Pacific Defense Proposal for *Pacific Defense Council*.

Mr. Ambassador, have you any comments to make to me at this time?

MR. DULLES: I think you will find in the memorandum I just gave you² . . . [reading]³ "agree on bi-lateral U.S. Pact, etc." But that we have in mind that the peace treaty should affirm the possession by Japan of what the United Nations Charter refers to as the inherent right of individual and collective self-defense and contain an authorization to Japan to exercise that right in the form of regional or collective pacts with one or more of the signatories purely for defense purposes. But that it would not, in itself, specify any terms of such a pact or even parties to such a pact, leaving that entirely for Japan in the exercise of its inherent right of collective self-defense. I think that meets the point of view which was expressed by you at the earlier meeting we had,⁴ and the informal views that your Government ex-

¹ The source text contains no indication of authorship.

² Reference uncertain.

³ Ellipsis and brackets in the source text.

⁴ According to what is apparently a transcript of the conversation held between Sir Alvary and Mr. Dulles January 29, the former had stated in part: "the Secretary of State [for Foreign Affairs, Mr. Ernest Bevin] thinks that all defense provisions should be embodied in a defense pact negotiated separately from the peace treaty. He agrees that the peace treaty itself should neither prohibit nor permit Japan's rearmament." (320.1 Peace Treaty) Another part of this transcript is quoted in the editorial note, p. 825.

pressed, and which are now in substance reaffirmed as being the continuing views of your Chiefs of Staff.

SIR ALVARY: Therefore really you agree that there should not be any mention in the treaty itself?

MR. DULLES: That's right.

SIR ALVARY: Thank you very much.

MR. DULLES: We agree in deference to the views which your Government expresses. Our point of view in this had been to include the substance of provisions for United States stationing of troops in Japan in the main treaty, but as I say, in deference to the views which your Government has expressed, we are reconsidering that matter and are now disposed. . . .⁵ It seems to us that it may be feasible to handle it along the lines your Government suggests.

SIR ALVARY: Thank you very much.

[Here follows a portion of the conversation which is discussed in telegram 1492 from Tokyo, February 2, page 143.]

⁵ Ellipsis in the source text.

Lot 56D527

Unsigned Draft of Agreement

[Tokyo, undated.¹]

AGREEMENT CONCERNING JAPANESE-AMERICAN COOPERATION FOR THEIR
MUTUAL SECURITY

PREAMBLE

Japan and the United States desire to contribute to the promotion of world peace and security by firmly establishing peace and security in the Japan area upon the following principles:

(1) The governments of both countries sincerely hope that international peace and security will be preserved in accordance with the principles enunciated in the Charter of the United Nations so that they may live in peace with all peoples and all governments;

(2) Both governments shall duly note that the United Nations has a responsibility by virtue of its Charter to maintain the security of

¹ There is some possibility this is a copy of the "Japanese revised draft of a U.S.-Japan bilateral" mentioned in Mr. Fearey's memorandum of February 5, p. 857. If so, it was presented to U.S. officials February 3, probably simultaneously with the explanatory "Observations" described in the editorial note, *infra*. The editors have been unable conclusively to determine whether the draft which is here revised, itself very substantially different from the bilateral draft of January 18, is a U.S., Japanese, or joint draft. For information on the draft of January 18, see Mr. Rusk's letter to General Magruder of January 17 with enclosure, p. 801.

non-member nations, in so far as it is necessary to maintain international peace and security.

(3) The Japanese people, trusting in the justice and faith of the peace-loving peoples of the world, are determined to preserve their security and existence.

*The maintenance of international peace and security in the Japan (Considering that both governments have agreed in the Treaty of area shall be assured by the cooperation between Japan and the peace that armed forces of the United States shall remain in the Japan United States area for this purpose) until a superseding security arrangement acceptable to the governments of the United States and Japan (the United States government) is adopted in pursuance of Article 43 or other appropriate Articles of the Charter of the United Nations, or until other suitable arrangements are effected;*²

Having in mind that nothing in the aforementioned Treaty of Peace impairs, and that Article 51 of the Charter of the United Nations affirms, the inherent right of individual or collective self-defense,

And desiring that this Agreement shall be fulfilled in a spirit of good neighbourliness between the United States government and the Japanese government, and that the details of its practical application shall be arranged by friendly cooperation,

For the purposes cited in the foregoing, the two countries shall agree to cooperate for their mutual security as follows:

CHAPTER I

Responsibility of the United States

(1) The United States recognizes that the peace and security of Japan are inseparable from that of the Pacific area, especially of peace and security of the United States. The United States shall share responsibility with Japan for maintaining its peace and security.

(2) In case of an act of aggression against Japan, the United States shall immediately take all necessary measures to assist Japan in meeting such aggression.

CHAPTER II

Responsibility of Japan

(1) Japan declares that she has an inherent right of self-defense for safeguarding its security and existence.

(2) Japan shall cooperate by all possible means with the United States in maintaining peace and security in the Japan area and in meeting any act of aggression against Japan.

² For information on the origin of this and subsequent revisions and deletions, see the editorial note, *infra*. In the text as printed, italics have been added to indicate revision, which is shown in the source text as interpolation.

CHAPTER III

Consultation

(1) The two countries shall consult with each other whenever the territorial integrity, political independence or security of the contracting parties are deemed to be threatened.

CHAPTER IV

Stationing of United States Armed Forces

(1) ~~The two countries agree (Japan requests and the United States agrees)~~ to the stationing of United States forces within the Japanese territory to assist in carrying out the mutual responsibility stated in the foregoing.

(2) Japan agrees that she will not grant, without the prior consent of the United States, any bases or any rights, powers, or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, to any third power.

(3) In the event of hostilities or imminently threatened hostilities, the *United States forces stationed in Japan* (~~Supreme Commander of all forces in Japan; designated in accordance with par 2 Chap 8 infra;~~) shall have the authority to use such (~~land~~) areas, installations and facilities in the Japan area [as?] (~~and to make such strategic and tactical dispositions of military forces as he~~) may be deemed necessary. (~~In taking such actions, the Supreme Commander shall consult with appropriate representatives of the Japanese government.~~)

(4) In locating the aforesaid areas for strategic and tactical disposition, the fullest consideration consistent with military necessity shall be given to the welfare, health and economic needs of the (~~native peoples of Japan~~) *local population*.

(5) In the absence of hostilities or imminently threatened hostilities, *United States forces* (~~security forces of the United States~~), after agreement between the United States and the Japanese governments, shall have the right to use land and coastal areas of appropriate size and location for military exercises, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air operations. Operations in such areas shall be carried on with due regard and safeguards for the public safety.

CHAPTER V

Expenses

(1) Expenses of the United States forces stationed in Japan shall be borne by the United States, excepting such expenses concerning places, facilities or services as may be borne by Japan. (*Note: U.S. delegation would like to have the assistance furnished by Japan at her expense set forth in detail.*)

CHAPTER VI

Status of the Garrison Troops

(1) The United States forces stationed in Japan shall enjoy the privileges and immunities which are normally accorded under international law to an army of a nation stationed in a foreign country in peace time.

(2) *United States Security* forces shall customarily be garrisoned at such installations under the control of the allied occupation forces at the termination of the occupation, as agreed upon between United States government and Japanese government, and all such facilities or areas required by United States forces and agreed to by Japanese government shall remain under the control of the *United States security* forces.

(3) Further assistance, including the use of additional land areas, installations or other facilities, as may be required in the absence of hostilities or imminently threatened hostilities by the security forces for garrison purposes, shall be provided by Japan as mutually agreed between the United States and Japanese Governments.³

(4) Japanese real and personal property utilized from time to time by United States ~~security~~ forces shall, when no longer required, be returned to the Japanese government in good condition, subject to normal depreciation or ordinary wear and tear. Except for losses arising directly from hostilities, the United States government shall pay just and reasonable compensation, when accepted by claimants in full satisfaction and in final settlement, for claims, including claims of insured but excluding claims of subrogees, on account of damage to or loss or destruction of private property, both real and personal, or personal injury or death of inhabitants of Japan, when such damage, loss, destruction or injury occurs during the period of this agreement and is caused by the armed forces of the United States, or individual members thereof, including military or civilian employees thereof, or otherwise incident to non-combat activities of such forces; provided that no claim shall be considered unless presented within one year after the occurrence of the accident or incident out of which such claim arises.

(A stipulation to be added for the "establishment of an organ composed of representatives of the two countries to carry out joint investigation and to determine the amount of compensation," as has been suggested under (8) of the Japanese proposal of February 1.)⁴

Further Description of Rights

(5) ~~Appreciative of similar undertakings by other free nations of the world for the purpose of promoting conditions of international~~

³ The handwritten word "delete" appears beside paragraph (3) of chapter VI in the source text.

⁴ Reference unidentified.

security, Japan further accords to the United States such. *It is mutually agreed that the United States shall have the rights, power and authority within installations or defense areas [such?] as are necessary for the establishment, use, operation and defense thereof, or appropriate for the control thereof, and all the rights, power and authority within the limits of territorial waters and air space adjacent to, or in the vicinity of, installations or defense areas which are necessary to provide access to them, or appropriate for their control.*⁵

[Here follows the remainder of the proposals under the heading "Further Description of Rights", which are identical to those included under that heading (beginning with the second paragraph) in the draft bilateral security treaty of October 27, 1950, printed in *Foreign Relations*, 1950, volume VI, page 1339.]

Shipping and Navigation

(7) United States public vessels operated by or for the Army or Navy Departments, the Coast Guard or the Coast and Geodetic survey, and the military forces of the United States, military and naval aircraft and government-owned vehicles, including armor, shall be accorded free access to, and movement between, ports and United States installations and defense areas throughout Japan, including territorial waters, by land, air and sea. In connection with the entrance into Japanese ports by United States public vessels, appropriate notification under normal conditions shall be made to the Japanese authorities.

(8) Lights and other aids to navigation of vessels and aircraft placed or established in the installations and defense areas and territorial waters adjacent thereto, or in the vicinity, shall conform to the system in use in Japan. The positions, characteristics and any alterations in the lights or other aids shall be communicated to the appropriate authorities of Japan.

Jurisdiction over Defense Areas, and Installations or Facilities

(9) The United States shall have exclusive jurisdiction over all installations and defense areas in Japan utilized by United States security forces, and over the military and civilian personnel of the government of the United States and their families within the said installations or defense areas, as well as over all other persons within such areas except Japanese citizens. The government of the United States shall retain the right, however, to turn over to the Japanese authorities for trial and punishment any person, other than a citizen of the United States, committing an offense in such areas. The Japanese authorities shall turn over to the United States authorities for

⁵ The handwritten notation "delete" appears beside the entire section on "Further Description of Rights" (chapter VI paragraphs (5) and (6)) in the source text.

trial and punishment any of the United States military or civilian personnel and their families who may commit offenses outside of such areas. The Japanese authorities and the United States authorities shall undertake adequate measures to insure the prosecution and punishment of all such offenders, it being understood that relevant evidence shall be furnished reciprocally to the two authorities.

Limitations on United States Administration of Security Forces

(10) The Japanese government and the United States government, for the purpose of promoting a sound administration of this agreement, adopt the following provisions from agreements concluded and successfully administered by other sovereign states.⁶

[Here follow the sections headed "Exemptions in Favor of Security Personnel and Incoming Goods", "Postal Facilities", "Sales and Services", and "United States Reserve Organizations".]

CHAPTER VII

Committee

(1) The two countries, in order to deliberate on the matters concerning sites, facilities, expenses and status of garrison troops shall establish a committee to be composed of equal number of representatives of the two countries. The committee shall be so organized that it may meet immediately at all times. The committee may establish such auxiliary organs as may be required.

CHAPTER VIII

Collective Defense Measures

(1) Any establishment of forces by the Japanese government shall be for the purpose of protecting peace and security in the Japan area and shall be consistent with the Charter of the United Nations, including Article 51 thereof which affirms the inherent right of individual or collective self-defense.

(2) In the event of hostilities or imminently threatened hostilities in the Japan area, as determined by the United States government, the National Police Reserve, and all other Japanese armed forces, shall be placed under the unified command of a Supreme Commander designated by the United States government after consultation with the Japanese government.⁷

CHAPTER IX

Effective Date and Period of Application

(1) The provisions of this agreement shall become effective simultaneously with the coming into force of the Treaty of Peace, and

⁶ The handwritten notation "delete" appears beside paragraphs (9) and (10) of chapter VI in the source text.

⁷ The handwritten word "delete" appears beside all of chapter VIII in the source text.

shall remain in effect until the coming into force of such United Nations arrangements or such alternative security arrangements as in the opinion of the United States government will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

(A paragraph to be added on ratification provisions.)

Editorial Note

In a memorandum dated February 3, 1951, titled "Observations on the Agreement Concerning Japanese-American Cooperation for Mutual Security", the Japanese Government stated that the agreement had to be reached at an early date. It stated its desire that Chapter VIII be omitted because provisions envisaging Japan as an armed country or a belligerent were likely to cause complications within and without Japan. The Government stated also its belief that to avoid the impression that military occupation would continue, the powers the United States was to have in Japan should not be enumerated in detail in the agreement and facilities and areas for United States security forces should be strictly limited and should be determined by mutual agreement. The Japanese Government then suggested a number of detailed changes, additions, and deletions, most of which are incorporated in, or noted in the margins of, the draft *supra*. In conclusion the Government proposed that the Committee provided for in Chapter VII be made the central vehicle for the operation of the agreement. (Lot 56 D 527)

In another memorandum of February 3, titled "Initial Steps for Rearmament Program", the Japanese Government stated that with the coming into effect of the proposed peace and security treaties it would be necessary for Japan to undertake a program of rearmament. The Japanese Government then briefly described the measures it contemplated. (Lot 56 D 527)

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum Prepared by the Dulles Mission*¹

SECRET

[Tokyo,] February 3, 1951.

PROVISIONAL MEMORANDUM

Subject to further consideration and subject to further consultation with the interested Parties, the United States contemplates a peace treaty along the following lines :

¹ Copies of this memorandum were handed to Mr. Iguchi on February 5.

PREAMBLE

The Preamble would record the determination of the Allies and of Japan henceforth to order their relations on a basis of friendly co-operation as sovereign equals. Japan would indicate her intention to conform to the principles of the United Nations Charter; to realize the high principles embodied in the United Nations Universal Declaration of Human Rights;² and to develop the conditions of stability and well-being envisaged by Article 55 of the United Nations Charter, and already initiated by postwar Japanese legislation. Japan accordingly would intend to apply for membership in the United Nations and the Allies would welcome that intention.

PEACE

The state of war between the Allies and Japan would be pronounced at an end.

SOVEREIGNTY

The Allies would recognize the full sovereignty of the Japanese people and their elected representatives over Japanese territory.

TERRITORY

Japan would renounce all rights and titles to Korea, Formosa and the Pescadores, and accept a United Nations trusteeship with the United States as administering authority over the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vela and Marcus Island. The United States would retain control of these islands pending approval by the United Nations of the trusteeship agreement or agreements. Japan would further renounce all rights, titles and claims deriving from the mandate system and from the activities of Japanese nationals in the Antarctic area.

SECURITY

Japan as a prospective member of the United Nations would accept in advance the obligations of Article 2 of the Charter, and the other parties would undertake reciprocally to be guided by those same principles with relation to Japan. The Allies would recognize that Japan as a sovereign nation possesses what the Charter refers to as "the inherent right of individual or collective self-defense", and would agree that Japan might voluntarily enter into a collective security

² This was a resolution passed by the General Assembly on December 10, 1948. For text, see Department of State, *A Decade of American Foreign Policy: Basic Documents, 1941-49* (Washington, Government Printing Office, 1950), p. 1156.

arrangement or arrangements participated in by one or more of them. Such arrangements would be designed solely for defense against armed attack from without, and any forces contributed by any Allied nation pursuant thereto would not have any responsibility or authority to intervene in the internal affairs of Japan. Assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan would not be deemed intervention in the internal affairs of Japan. Japan would agree not to permit any foreign nation to have military facilities in Japan except pursuant to actions or recommendations of the United Nations or to a collective security arrangement or arrangements referred to above.

POLITICAL AND ECONOMIC CLAUSES

(a) Japan would agree to adhere to existing multilateral treaties designed to prevent the misuse of narcotics and to conserve fish and wildlife.

(b) Japan would agree to enter promptly into negotiations with parties so desiring for the formulation of new bilateral or multilateral agreements for the regulation, conservation and development of high seas fisheries.

(c) Each of the Allies would agree to notify Japan within a year of the effective date of the treaty which of its prewar bilateral non-political treaties with Japan it wished to keep in force.

(d) Japan would renounce all special rights and interests in China.

(e) The power to grant clemency, reduce sentences, parole and pardon with respect to war criminals incarcerated in Japan would be exercised jointly by Japan and the Government or Governments which imposed the sentences in each instance and, in the case of persons sentenced by the International Military Tribunal for the Far East, by Japan and a majority of the Governments represented on the Tribunal.

(f) Pending the conclusion of new commercial treaties or agreements, Japan, during a period of three years, would (1) extend most-favored-nation treatment to each of the Allies in all matters pertaining to the importation and exportation of goods, and (2) accord national treatment or most-favored-nation treatment, whichever is more favorable, with respect to the commercial vessels, nationals and companies of the Allies and their property, interests and business activities in Japan. Japan would be entitled to withhold from any Allied nation more favorable treatment in respect to any of the above matters than that nation, subject to the exceptions customarily included in its commercial agreements, was willing to accord it in that respect. Japan

would also be entitled to apply measures dictated by its balance-of-payments position or by its essential security requirements, and to reserve the exceptions customarily contained in commercial agreements. "National treatment" would not be deemed to include Japanese coastal and inland navigation. Pending the conclusion of civil air transport agreements, Japan, during a period of three years, would extend to each of the Allies not less favorable civil air traffic rights and privileges than those they enjoyed at the time of the coming into force of the treaty.

CLAIMS ARISING OUT OF THE WAR

All parties would waive claims arising out of acts taken during the war prior to September 2, 1945, except that (1) each of the Allied and Associated Powers would retain and dispose of Japanese property within its territories, except diplomatic and consular property and a few other limited categories; and (2) Japan would restore, upon demand, Allied property in Japan, or, if such property, whether or not taken under the control of the Japanese Government, is not restorable intact, would provide yen to compensate for the lost value. (An elaboration of these two exceptions is provided in Annex I.) Japan would waive all claims arising out of the presence of the Occupation forces in Japan since surrender.

SETTLEMENT OF DISPUTES

Disputes concerning the interpretation or execution of the treaty not settled through the diplomatic channel would be referred for decision to the International Court of Justice, all of the treaty signatories undertaking to comply with the decisions of the Court. A specially established Arbitral Tribunal appointed by the President of the International Court of Justice from nationals of countries which were neutral in World War II would settle claims disputes. (An elaboration of these provisions will be found in Annex II.)

FINAL CLAUSES

(a) The right of adherence to the treaty would be extended to any nation at war or in a state of belligerency with Japan which had not been an original signatory thereto.

(b) The treaty would not confer any rights or benefits upon any state which did not execute and ratify or adhere to it, and Japan would not make a peace settlement with any other state which would grant that state advantages not granted to the parties to the treaty herein described.

GENERAL OBSERVATION

It is to be observed that if peace were made along the foregoing lines, it would involve a very complete restoration of sovereignty to Japan free of onerous restrictions. Japan would express its intention to maintain and advance the high purposes, principles and standards of the post-surrender years, but would not be subjected to treaty compulsions in these respects. There would be no restrictions upon Japan's right to rearm. The Allies would demand no reparations either out of the industrial assets, current production or gold stocks. There would be no continuing right to reclaim looted property. There would be no treaty restrictions upon Japan's commercial activity, including ship-building and fishing, other than such as Japan may voluntarily adopt in the interest of promoting international good will. The Allies' right to "most-favored-nation" commercial treatment would be dependent upon reciprocity on their part. The question of any repayment of Garioa indebtedness of some \$2,000,000,000 is not made a matter of treaty compulsion, but left for mutual adjustment.

With respect to all of these matters, there is very considerable difference of opinion as between the Allies and there is within the United States a considerable body of opinion which questions the desirability of the kind of peace which is here outlined.

It may be that public opinion either within the United States or within the Allied Powers may render it necessary, in order to get peace, to add certain restrictions and burdens not enumerated in the above outline of projected treaty and it is suggested that the Japanese Government, in dealing with the people of Japan, should avoid giving any impression that it can now be taken for granted that the final treaty will be free of restrictions and burdens of the character mentioned in these General Observations.

Annex I

ELABORATION OF EXCEPTIONS TO GENERAL WAIVER OF WAR CLAIMS

I. Each of the Allies would have the right to retain and dispose of all property, rights and interests of Japan and Japanese nationals within its territory at any time between December 7, 1941, and the coming into force of the treaty, except (a) property of Japanese nationals permitted to reside in the territory of one of the Allies, except property subjected to special measures prior to September 2, 1945; (b) tangible diplomatic or consular property, net of any expenses

incident to its preservation; (c) property of non-political religious, charitable, cultural or educational institutions; (d) property located in Japan, despite the presence elsewhere of paper or similar evidence of right, title or interest in such property, or any debt claim with respect thereto; and (e) trade-marks identifying products originating in Japan.

II. (a) Japan would restore, upon demand, within six months from the effective date of the treaty, the property, tangible and intangible, and all rights or interests of any kind in property, in Japan of the Allies and their nationals, unless the owner had freely disposed of his property without duress or fraud, and, to the extent that such property and interests, whether or not taken under the control of the Japanese Government, had been lost or damaged as a result of the war, would make compensation in yen equal to the amount necessary at the time of coming into force of the treaty (1) to purchase similar property, or (2) to restore the property to its condition on December 7, 1941. Compensation would not be made to persons whose activities and property were not subjected to special Japanese wartime restrictions applicable to Allied nationals generally. Claims of each of the Allied and Associated Powers and their nationals for compensation would be presented by its Government to the Japanese Government within eighteen months from the effective date of this treaty.

(b) If agreement on compensation should not be reached within six months after the filing of a claim, either of the governments concerned might refer the matter to the Arbitral Tribunal provided for in the treaty (see Annex II).

(c) Rights or interests in property would include directly and indirectly held ownership interests in juridical entities which were not nationals of an Allied Power, but which had suffered loss of or damage to property in Japan as a result of the war. Compensation with respect to such loss or damage would bear the same proportion to compensation payable to an owner under subparagraph (a) as the beneficial interests of such nationals in the corporation or association bore to the total capital thereof.

(d) Compensation in yen would be made in four equal annual installments without interest and if the total of allowed claims exceeds 40 thousand million yen, there would be a *pro rata* reduction so that the total would be that amount. The yen paid by way of compensation would not be convertible into foreign exchange except in accordance with Japanese foreign exchange regulations. Compensation payments in respect to agreed claims would begin without awaiting final adjudication of contested claims.

Annex II

ELABORATION OF DISPUTES PROVISIONS

INTERPRETATION OR EXECUTION

Any dispute between an Allied Government and Japan concerning the interpretation or execution of the treaty which is not settled through diplomatic channels would, at the request of a party to the dispute, and without special agreement, be referred for decision to the International Court of Justice. Japan and those Allied Powers which were not already parties to the Statute of the International Court of Justice would deposit with the Registrar of the International Court of Justice, on the date of the deposit of their ratification of the treaty, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect of all disputes of the character referred to in this paragraph.

CLAIMS

Disputes between an Allied Government and Japan in connection with claims matters which are not settled through the diplomatic channel or otherwise could be referred by either party to an Arbitral Tribunal, consisting of three jurists to be designated by the President of the International Court of Justice on request of the depository government made within three months from the effective date of the treaty. The designations would be made from nationals of countries which were neutral in World War II. Vacancies on the Tribunal would similarly be filled by designation by the President of the International Court of Justice upon request of the depository government. Decisions of the tribunal would be by majority vote and would be final and binding.

The salaries of the members of the Arbitral Tribunal would be fixed by the President of the International Court of Justice, in consultation with the Government of Japan. The Government of Japan would pay the costs and expenses of the proceedings, including salaries of members and employees of the Tribunal, but not including costs incurred by other governments in the preparation and presentation of cases.

The authority of the Tribunal, and the terms of office of its members, would terminate at the expiration of ten years from the effective date of the treaty, unless Japan and a majority of the Allies agreed to fix an earlier or later termination date.

Lot 54D423

Unsigned Draft of Bilateral Agreement

SECRET

[Tokyo,] February 5, 1951.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND JAPAN FOR
COLLECTIVE SELF-DEFENSE MADE PURSUANT TO THE TREATY OF PEACE
BETWEEN JAPAN AND THE ALLIED POWERS AND THE PROVISIONS OF
ARTICLE 51 OF THE CHARTER OF THE UNITED NATIONS

PREAMBLE

Japan has this day signed a Treaty of Peace with the Allied Powers. On the coming into force of that Treaty, Japan will not have the means to exercise her inherent right of self-defense because, pursuant to the Surrender Terms,¹ Japan has been disarmed.

There is danger to Japan in this situation because irresponsible militarism has not yet been driven from the world.

The Treaty of Peace gives Japan the right to enter into collective self-defense arrangements with one or more of the Allied Powers and the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defense.

In exercise of these rights, Japan desires, as a provisional arrangement for her defense, that the United States, which is one of the Allied Powers, should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

The United States, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for the defense of its own homeland against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.

Accordingly:

1. Japan grants, and the United States accepts the right, upon the coming into force of the Treaty of Peace and of this Agreement, to station United States land, air and sea forces in and about Japan. Such dispositions would be designed solely for the defense of Japan against armed attack from without and any forces contributed pursuant hereto would not have any responsibility or authority to intervene in the internal affairs of Japan. Assistance given at the express

¹ For text of the instrument of surrender signed aboard U.S.S. *Missouri* in Tokyo Bay, September 2, 1945, see Department of State Executive Agreement Series (EAS) No. 493, or 59 Stat. (pt. 2) 1733.

request of the Japanese Government to put down large-scale internal riots and disturbances in Japan would not be deemed intervention in the internal affairs of Japan.

2. During the exercise of the right referred to in Article 1, Japan will not grant, without the prior consent of the United States, any bases or any rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, to any third power.

3. The conditions which shall govern the stationing of armed forces of the United States in and about Japan shall be determined by administrative agreements between the two Governments.

4. This Agreement shall expire whenever in the opinion of the Governments of the United States and of Japan there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

Lot 56D527

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 5, 9:30 AM

Japanese Memorandum re US-Japan Bilateral

Ambassador Dulles said that the Japanese revised draft of a US-Japan bilateral¹ submitted Saturday evening² called for a US guarantee of Japan's security, and went further than the terms of the Atlantic Pact.³ Until Japan is in a position to undertake corresponding obligations of its own the US would want rights rather than obligations. The US cannot press the Japanese to assume military obligations until they have dealt with their Constitutional problem and are in a position formally and publicly to assume such obligations.

Colonel Babcock commented that the Japanese had shown willingness to assume certain obligations, but Ambassador Dulles noted that it was not clear what those obligations could at present be. Colonel

¹ Perhaps the undated, revised draft of an "Agreement Concerning Japanese-American Cooperation for Their Mutual Security", p. 843.

² February 3.

³ For text of the North Atlantic Treaty signed at Washington April 4, 1949, see *Foreign Relations*, 1949, vol. iv, p. 281, or Department of State Treaties and Other International Acts Series (TIAS) No. 1964, or 63 Stat. (pt.2) 2241.

Babcock replied that that was the question, and that that was why the Defense members wished to have Chapter VIII of their draft retained, clarifying that the Japanese would use their police forces or whatever other forces they possessed to assist in the defense of Japan. Ambassador Dulles agreed that it probably would be desirable to retain Chapter VIII in some form. He went on to say that when Japan, following amendment of its Constitution, is in a position to make precise commitments such as we are trying to obtain from European countries, commitments to contribute a certain number of divisions by a certain date, then we will be in a position to make more concrete commitments ourselves. Until then we must maintain a flexible position. Ambassador Dulles' instructions from the President were that the US was prepared to station troops in Japan and desired the right to station such troops, but it was not stated that the US was prepared to guarantee Japan's security. By not assuming such an obligation we remain free to pull our troops out at any time.

Ambassador Dulles continued that the practical consequences of our keeping troops in Japan would be more important than any paper guarantee. Whether we would want to go further and guarantee Japan in any sense was a question we would wish to discuss in Washington. The coming exchange of views in the Philippines, Australia and New Zealand about a Pacific Pact might place us in a better position to proceed along that line by eliminating the danger Mr. Johnson had referred to of giving Japan guarantees which we did not give the Philippines, Australia and New Zealand.

Mr. Allison inquired how much the Mission could tell the Japanese about the contemplated Pacific Pact in order to help the Japanese to buy our proposal. Ambassador Dulles replied that we would not want to dangle the pact before them since we did not yet know whether the idea of a pact would be realized. He said that he had informed certain Japanese at one of Ambassador Sebald's receptions that the military agreement would initially be just between the United States and Japan but that it might later be broadened out. This had been hinted in our Provisional Memorandum⁴ regarding the content of a general treaty. Ambassador Dulles said that the United States was not in a position to guarantee indefinitely a totally disarmed country.

Ambassador Dulles then read the text of a draft agreement⁵ which he had prepared to be concluded by the United States and Japan for their collective self-defense pursuant to the treaty of peace between Japan and the Allies and the provisions of Article 51 of the United Nations Charter. In commenting on the draft Ambassador Sebald

⁴ Of February 3, p. 849.

⁵ Apparently the document *supra*.

said that the Japanese do not have executive agreements. Any such document must be clearly based on authority granted by the Diet. Executive agreements, he said, are unknown in Japanese jurisprudence. Ambassador Dulles questioned how the government could operate if it had to submit every international engagement to the Diet. Ambassador Sebald said that he had sought to convince the Japanese Government of this fact but thus far without marked success. Mr. Allison suggested that the phrase "administrative agreement" be used, and this suggestion was adopted.⁶

Meeting with Mr. Yoshida

Ambassador Dulles said that the Mission's time was running out and that it might be advisable for him to see the Prime Minister that day or the next to attempt to achieve a definite understanding. It was agreed that the meeting should be held on Wednesday.⁷

Meetings with Diplomatic Representatives

Ambassador Dulles said that the British Ambassador had asked to see him again. Mr. Allison questioned the advisability of a third extended meeting when Ambassador Dulles had seen so few other diplomatic representatives in his office. Ambassador Sebald mentioned that he had invited the Chinese Ambassador, who had requested an interview with Ambassador Dulles, to dinner at his house on Thursday. Ambassador Dulles said that he had seen the British and French Ambassadors because the United States has special relations with those countries, but that he did not want the Chinese National Government to feel that we were running out on it. It was decided that Ambassador Dulles would see the British Ambassador again and that he would have lunch with the Australian Ambassador.

Fishing

Ambassador Dulles raised the question of Japanese fishing, saying that there would be considerable criticism if he returned without some understanding on this question. He referred to the proposal submitted by the Japanese, which seemed quite satisfactory, and suggested that it would be desirable to have the Japanese send him a signed letter embodying agreed views on this problem before his departure.⁸

⁶ No draft of a separate administrative agreement has been found in Department of State files earlier than that printed as Annex IV to the letter of February 10 from Ambassador Dulles to Secretary Acheson, p. 876.

⁷ February 7.

⁸ The exchange of letters dated February 7 regarding fisheries between Prime Minister Yoshida and Ambassador Dulles, released to the press February 13, is printed in Department of State *Bulletin*, February 26, 1951, p. 351.

Lot 56D527

*Unsigned Japanese Government Memorandum*¹

[Tokyo,] February 6, 1951.

ON PROVISIONAL MEMORANDUM

The American Provisional Memorandum dated February 3, 1951² has been received with profound gratification and gratitude. Observations are given below on a few minor technical points and elucidation is sought on others.

(1) *Sovereignty*

It is desired that the phrase "*and their elected representatives*" be deleted.

(2) *Security*

We appreciate the definite American stand that Allied forces under the collective security arrangement "would not have any responsibility or authority to intervene in the internal affairs of Japan." But we should like to have the stipulation dropped, regarding assistance to be given in case of large-scale riots and disturbances. While it is most likely that such assistance will be asked and given, a treaty provision, anticipating that contingency, would run counter to the principle that as an independent nation Japan must rely on herself alone for the maintenance of internal peace and order. In view of the possible popular reaction against the provision, the Government desires to have it omitted entirely, or have the internal riot and disturbances qualified as being caused "*through instigation or intervention by outside Power or Powers.*"

(3) *Political and Economic Clauses*

(e) It is desired a clause be inserted, putting an end to prosecution of new cases.

In this connection, American good offices are requested in order that Japanese war criminals now imprisoned abroad may be sent back and allowed to serve out their terms in Japan.

(f) "Most-favored-nation treatment" mentioned under this head is understood to mean "*unconditional*". Clarification is desired on this point.

(4) *Claims Arising Out of the War*

It is desired the scope will be defined of "*Allied and Associated Powers*", who are to retain and dispose of Japanese property in their territories. Special consideration is requested so as to exclude those

¹ Apparently handed to U.S. officials on February 6.

² *Ante*, p. 849.

countries, which merely declared war on Japan or severed diplomatic relations with her, but did not take part in actual hostilities.

(5) *Annex I*

II, (a) "Compensation would not be made to *persons* whose activities and property were not subjected to special Japanese wartime restrictions applicable to Allied nationals generally". Is it correct to interpret the term *persons* as referring to Allied nationals who were residing in Japan during the war?

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 6, 9:30 A M

Treaty Paraphrase

Ambassador Dulles said that copies of the treaty paraphrase¹ had been handed Messrs. Iguchi and Nishimura² the previous day. They had appeared quite pleased with it, and seemed especially happy over the fact that Japan would retain territory down to 29 instead of 30 degrees north latitude. He said that we might expect trouble with the Philippines over our proposal that Japan pay full compensation for damage to Allied property in Japan. The Philippine Government would say that the United States and Britain, which had fairly extensive properties in Japan, were receiving full compensation while the Philippines were getting negligible reparations. Ambassador Sebald noted that General MacArthur was opposed to such compensation in principle, largely because of the opposition it might occasion in the Philippines and other countries.

Garrisoning Agreement

Mr. Johnson said that the paper³ which Mr. Allison and the Defense representatives were about to hand the Japanese representatives was more an editing job than a rewrite. A number of things had been put back in the paper which the Japanese had wished to delete. Everything hinged on whether the Japanese accepted the idea of an administrative agreement.

Pacific Pact

Ambassador Dulles said that in thinking of the problem of a Pacific Pact he had been struck by the analogy between the British attitude

¹ The provisional memorandum of February 3, p. 849.

² Kumao Nishimura, Director, Bureau of Treaties, Ministry of Foreign Affairs.

³ Unidentified.

today and their attitude in connection with the Monroe Doctrine. The British had desired to participate in the Monroe Doctrine as an equal partner the same as they desire to participate in the proposed Pacific Pact.

Appointments

Ambassador Dulles mentioned that he would be meeting with a group of lady members of the Diet at 3:15, and that he had prepared a short statement to read to them. At 4:00 he was seeing the leaders of the Ryukufukai and at 6:00 he planned to call on General MacArthur. It was decided that Ambassador Dulles should meet with the Prime Minister the following day to provide him with a clear resumé of the conclusions to which the Mission had thus far come.

Surplus Property Agreement

Ambassador Sebald read a portion of the Surplus Property Agreement,⁴ involving some \$14,000,000, in which it was stated that this claim would be dealt with as a part of the Japanese peace settlement. It was pointed out that the proper place to handle the matter might be in a financial and property agreement, already under consideration, to be signed simultaneously with, or shortly after, the treaty. It was agreed that Mr. Sebald would write a letter to Ambassador Dulles giving his recommendations in the matter and that the matter would be further considered in Washington.

Compensation Problem

The question was raised of whether Mr. Dodge in expressing the opinion that Japan could support a forty billion yen compensation burden had considered the impact of this item on the budget. Ambassador Dulles said that he was sure he had. General Magruder said that the more government funds that were used to satisfy claims the less would be available for rearmament, and that the two uses therefore had to be weighed against each other. It was pointed out that the current year's Japanese budget totalled almost seven hundred billion yen. Ambassador Dulles further noted that the compensation would in effect be in blocked yen which would consequently be used in major part for local investment. Also, it was expected that total claims would be less than forty billion yen, many property owners having written off their losses for tax purposes. It was suggested that the only important danger was a possible appreciation of the value of the yen, but it was not felt that this was a serious danger.

General Magruder said that the Japanese count on using for defense in the coming year what they are now spending on the Police Reserve plus the reduction in the termination of war expenditures expected as

⁴ Unidentified.

a consequence of pay-as-you-go, totalling about 106 billion yen. General Magruder thought that this amount would be sufficient to double the present strength of the Police Reserve (75,000), leading to establishment of four additional divisions. Ambassador Dulles did not believe that a maximum of ten billion yen a year for compensation for damage to Allied property would necessitate a very important reduction in funds available for Japanese security.

Lot 56D527

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 7, 9:30 A M

Military Understandings

Mr. Johnson said that the Defense members of the Mission had met with Japanese representatives the previous morning and that the latter had accepted our proposals practically without change. The thing that sold them was the concept that while the Diet would approve the treaty the administrative agreement would be a Cabinet action only. The only changes which the Japanese requested were deletion of the reference to the surrender terms in the treaty,¹ and qualification of the reference in the administrative agreement to internal riots and disturbances by the phrase "through instigation or intervention by outside Power or Powers".² Both requests were accepted. Ambassador Dulles said that it would seem that the reference to riots and disturbances in the main treaty could well be deleted since they were contained in the bilateral.

Meetings

Ambassador Dulles mentioned his meeting the previous afternoon with the lady members of the Diet and with the Ryokufukai leaders. He said that the latter had appeared to be a more level-headed group than some others. Referring to his meeting the previous evening with General MacArthur, he said that the Prime Minister had apparently been in to see the General during the morning. General MacArthur

¹ Reference is apparently to the document of February 5 which was the forerunner of the bilateral security treaty, but which was still officially styled an "agreement". For text, see p. 856.

For the mentioned change, see Annex II to the letter of February 10 from Ambassador Dulles to Secretary Acheson, p. 875.

² An apparent error: both requested changes pertain to the first document cited in footnote 1 above. (No draft of the administrative agreement dated prior to that printed as Annex IV to the letter mentioned in footnote 1 above has been found in Department of States files.)

seemed to think things were going very well. Ambassador Dulles had raised the question of whether he should make a courtesy call on the Emperor and General MacArthur, after some thought, had said that he thought he should. Ambassador Dulles commented that in thinking the matter over there seemed little doubt that the visit would make a good impression in Japan but that the Mission had done enough in that line and the task in the Philippines, Australia and New Zealand would probably be rendered more difficult if he were to call on the Emperor before peace had been concluded, instead of the Emperor calling on him. General MacArthur did not seem to feel any compelling reason for the visit from the Japanese standpoint. Ambassador Dulles said that with matters in Japan pretty well cleared up we had better think first of the Allies.

Ambassador Sebald said that he agreed that it would probably be best for Ambassador Dulles not to call on the Emperor, noting that he had already gone further in meeting Japanese than any leading official since the occupation. Mr. Johnson inquired whether the Emperor would probably sign the treaty, saying that General MacArthur seemed to envisage his doing so. Ambassador Dulles said that he did not think the Emperor would have any role in the treaty-making process, and Mr. Spinks³ said that as far as he could recall the Emperor never signed treaties even under the old system. Colonel Babcock said that the Australians were especially sensitive about the Emperor. Ambassador Dulles said that General MacArthur had said that the call would be desirable from the Japanese standpoint but that the effect upon our Allies would have to be evaluated by the Mission. It was decided that the call would not be made.

Meeting with Mr. Yoshida

Ambassador Dulles said that it might be possible to wind things up during the meeting that morning with Mr. Yoshida. As to the Japanese comments on the treaty paraphrase, Ambassador Dulles said that we could of course accept their proposal that the phrase "and their elected representatives"⁴ be deleted. As regards their request that a clause be inserted putting an end to the prosecution of new war crimes cases, it was decided to inform Mr. Yoshida that we expect all of these cases will have been completed by the time the treaty comes into effect but that if this is not the case we will be willing to consider inclusion of the requested clause.

Compensation

Ambassador Dulles said that General MacArthur had again expressed himself as very strongly opposed to Japan's being required to

³ C. Nelson Spinks, First Secretary of Mission.

⁴ From the fourth paragraph of the "Provisional Memorandum". See Annex I to the letter cited in footnote 1 above.

pay yen compensation for damage to Allied property in Japan. He agreed that payment would probably not have any serious effect on Japan's economy, but held that the provisions would place the US in a morally indefensible position vis-à-vis the Philippines and some other countries which had received little reparations. It would look as though the United States and England were feathering their own nest at the expense of these other countries. Ambassador Dulles had pointed out that the payments would in effect be in blocked yen and would probably be used for the most part for local investment. The payments would thus be entirely different from the exaction of further reparations involving the removal of assets from Japan. Ambassador Dulles commented that it was probably best to ask for this compensation as far as Japan was concerned, though we may wish to give it back. We would probably wish to consider the matter when the Mission returned to Washington. General Magruder stated again that yen used for the payment of compensation would not be available for rearmament.

Ambassador Dulles said that the British Ambassador had left a memorandum ⁵ with him in which the British Govt had contended that Japan with only $\frac{1}{3}$ of its present shipbuilding capacity could build up its merchant marine to 4 billion tons in 10 years. When asked who would destroy or dismantle the "excess" capacity, Sir Alvary replied that he had no instructions on the point.⁶ Reverting to the question of compensation claims, Ambassador Dulles said that this was perhaps the toughest problem we have. Colonel Babcock mentioned a recent newspaper report that the Philippines planned to submit an \$8-billion reparations claim to the FEC. Mr. Johnson noted that the Philippine government was in a highly unstable position and that its reparations position undoubtedly derived from internal political factors. Ambassador Dulles said that the question of the position which the United States should take on the compensation issue would not be finally settled until the Mission had returned to Washington.

Support of Korean Operation

Ambassador Dulles said that there was one thing he wished to raise with the Defense members. In September when the United States decided to go ahead with a treaty it looked as if the Korean conflict would be favorably resolved. When the United States resumed treaty discussions a while ago, it looked as if it would be unfavorably resolved. Now it looks as if the Korean war might carry on into the post-treaty period. There might be a stalemate in Korea which

⁵ Not printed. Attached to the memorandum cited in footnote 6 below.

⁶ In his notes on this conversation held February 6, Mr. Fearey had written in part that when asked this question, "Sir Alvary replied that, speaking on a purely personal basis, he believed his government contemplated that it would be done by SCAP." (Tokyo Post Files : 320.1 Peace Treaty)

would still require a considerable contribution from the Japanese economy and Japanese facilities. Ambassador Dulles wondered whether sufficient thought had been given to the transition from an occupation to a peace status if the Korean hostilities were still going on.

General Magruder said that the Joint Chiefs of Staff had expressed themselves as unwilling to have the treaty ratified while the Korean operation was still going on. Ambassador Dulles said that there was a chance that this position would have to be reversed. If the Japanese think the treaty is being held up by their contribution to the Korean campaign, they would probably very quickly cease that contribution. Thought should be given to what assurances or undertakings we need to get from the Japanese to insure that we can move from an occupation to a treaty basis without adversely affecting the Korean operation if it is still on.

General Magruder said that he did not think there would be any particular difficulties. Ambassador Dulles agreed but said that the question should nevertheless be looked into. It needed to be thought of not just from the time of ratification of a treaty but from the time of signing. He said that it was his understanding that General MacArthur planned to wave good-bye as soon as the treaty was signed, and he wondered whether the occupation might not largely fall apart after General MacArthur had left. He asked General Magruder whether the occupation was a personal organization heavily dependent on General MacArthur's presence, to which the General replied that he did not think that it was. He thought that the principal effect of General MacArthur's leaving would be to expedite the reduction of personnel. Ambassador Dulles commented that it seemed probable that the U.S. would get more help out of Japan after a treaty than if it were to block a treaty because of Korea. It was decided that the Defense members would raise the question with Mr. Yoshida in general terms before the Mission's departure and after learning exactly what Korean operations were involved and might be affected by the treaty.

Lot 56D527

Memorandum of Conversation, by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo,] February 7, 1951.

NOTES ON CONVERSATION AMONG AMBASSADOR DULLES, PRIME MINISTER
YOSHIDA AND STAFFS

Mr. Yoshida said that he had promised to say something to the Cabinet regarding the fishing understandings at the time the exchange

of letters was published. Ambassador Dulles accordingly agreed to inform Mr. Yoshida when the texts of the letters were to be released.

Mr. Yoshida said that if a Japanese general staff should be formed it should have an entirely different character from that of the past. Japan, he said, suffered much from the former structure. The old general staff was formed on the German pattern in accordance with recommendations of a German general who had been invited to Japan. We want a democratic general staff on the lines of the U.S. system. If a general staff is to be formed we hope that your Army and Navy will advise us in its establishment. Mr. Johnson pointed out that the essential difference between the U.S. and German staff systems is that ours heads up to a civilian President. The President appoints a civilian Secretary of Defense and the Secretaries of each of the three military Services, and the Assistant Secretaries. Direct control of the military is thus exercised by these civilian leaders. Military officers do not have direct access to the President and the Congress but are normally represented by the Secretary of Defense and the Secretaries of the three Services.

Ambassador Dulles referred to the Japanese Provisional Memorandum of February 6 (copy attached)¹ commenting on the U.S. Provisional Memorandum of February 3² in which U.S. thinking on the content of a Japanese treaty had been outlined. Ambassador Dulles said that the first suggested change, calling for deletion of the phrase "and their elected representatives", was acceptable. The Japanese had next suggested that the reference to internal riot and disturbances be qualified by the phrase "through instigation or intervention by outside Power or Powers". Ambassador Dulles said that this proposal was also acceptable. He said that it might be possible to delete the sentence from the general treaty since it was already in the bilateral. With reference to the Japanese desire that a clause be inserted putting an end to the prosecution of war crimes cases, Ambassador Dulles said that it was his understanding that the Japanese war crimes trials would be completed in advance of the treaty. If that should be the case, there would be no need for a provision of the type suggested by the Japanese Government. If, however, it looked as if the trials would not be completed by that time, the U.S. would be willing to consider the Japanese proposal. Mr. Yoshida noted that there was no reference in the treaty to prisoners of war and war criminals held by the Soviets. Ambassador Dulles said that we were in no position to do anything about these prisoners unless the Soviets participated in the peace settlement, in which case we would raise the matter.

In regard to the Japanese request that the U.S. use its good offices in order that Japanese war criminals imprisoned abroad might be sent

¹ *Ante*, p. 860.

² *Ante*, p. 849.

back to Japan and allowed to serve out their terms there, Ambassador Dulles said that the U.S. had already used its good offices with certain countries to this end and that Japan could expect it to continue to do so in support of any request the Japanese Government might make. Ambassador Dulles confirmed to the Japanese, in answer to their next point, that most-favored-nation treatment would be reciprocal. In regard to the Japanese desire to retain Japanese assets in countries which merely severed diplomatic relations with Japan, Ambassador Dulles said that there were only three nations in this category, namely, Bulgaria, Rumania and Finland. While a larger number of nations did not take an active part in hostilities, it would be extremely difficult to make a distinction in these cases. In any event the matter was probably academic because all or almost all belligerents had already expropriated Japanese assets in their territories. Ambassador Dulles stated that the Japanese understanding in the last point they had raised was correct.

Ambassador Dulles said that he wished to make it perfectly clear to the Prime Minister that, as stated in the General Observations in the U.S. Provisional Memorandum, the U.S. views which he had advanced were subject to negotiation with our Allies. This would involve some difficult problems, more difficult than the Mission had encountered with the Japanese Government, and there could be no assurance that later drafts would be as free from restrictions as this one. The two problems on which we foresee the greatest difficulty were shipping and reparations.

In regard to the first, he said, some countries are greatly worried over what they consider to be Japan's excessive shipbuilding capacity, fearing that it will lead to cut-throat competition. The U.S. does not know anything it can do to meet these views. It certainly does not want to put anything in the treaty. As the U.S. envisages the matter Japan will be subject to raw material allocations which will insure that imported materials will only be used in the interest of the free world.

As to reparations, some countries will say that it is not right to provide in the treaty for compensation for damage to Allied property in Japan and not for damage to Allied property destroyed by the Japanese abroad. Of course the proposed provision for compensation in Japan will not impose a heavy burden on Japan. The total is not to exceed 40 billion yen, paid in four equal annual installments, and payment is to be subject to Japanese exchange controls. Most of the funds will probably be used for capital construction in Japan. This is very different from reparations involving the removal of assets from Japan. A strong moral case can nevertheless be made for reparations, especially from Japanese owned gold or from current produc-

tion. In the Italian treaty³ there was provision for reparations out of current production, such production to be based on raw materials provided by the recipient countries. The provision was never implemented, however. The idea may or may not be feasible in Japan but the Japanese Government might think about it on the chance that a certain amount of reparations, not sufficient to impair Japanese economic conditions, might be paid to satisfy public opinion in certain countries and secure their adherence to the treaty. The Japanese might find it in their interest to consider a reparations program of this sort. Ambassador Dulles said that after he had returned to Washington he might communicate further with Mr. Yoshida in the matter through Ambassador Sebald.

Mr. Yoshida thanked Ambassador Dulles for his presentation. He said that although he had expected difficulties in the discussions no difficulties had arisen from the U.S. side.⁴

³ For text of the Treaty of Peace with Italy signed at Paris February 10, 1947, see Department of State Treaties and Other International Acts Series (TIAS) No. 1648, or 61 Stat. (pt. 2) 1245.

⁴ In telegram 1520 from Tokyo, February 7, marked "For Rusk from Dulles", the latter reported in part that the Prime Minister and his aides had "indicated [the] acceptability" of the Provisional Memorandum, the draft of a bilateral treaty, and a detailed administrative agreement which dealt with technical problems involved in the exercise of the right given in the bilateral treaty to the United States to station land, air, and sea forces in and about Japan. Mr. Dulles added that the allocation of costs had not yet been finally determined. (694.001/2-750)

Lot 54D423

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 8, 9:30 AM

Progress of Discussions

Ambassador Dulles said that everything seemed to be going quite well. The discussions were substantially completed except for developing the administrative agreement to include something more as to the types of things Japan would pay for. General Magruder said that the Japanese representatives had agreed that Japan would pay for the same things Britain does in connection with the United States forces stationed in that country. These were, briefly, real estate rentals, free use of facilities jointly used, and free ground transportation for freight and personnel moving on official business. He had embodied this understanding in a memorandum which might be included with the three main agreements.

Ambassador Dulles asked whether General Magruder could say what the Japanese contribution would amount to. He replied that it would come to 20-30% of total local costs. Another type of contribution which had been considered was labor services but General Magruder felt that this would be inappropriate, pointing out that we paid for labor services provided in other countries where our forces are stationed. Ambassador Sebald asked who would pay if the garrison forces laid down a new airplane runway and General Magruder replied that the United States would. General Magruder thought that the arrangement would be satisfactory to the Department of Defense, though there might be some question about the Treasury.

Ambassador Dulles inquired whether the understanding could not be phrased on a sort of most-favored-nation basis in the sense that Japan would assume expenses on a definite basis but if the United States concluded a standard arrangement with other countries more favorable to the United States, Japan would accept modifications to bring the understanding with it into line with the arrangement for other areas. We would say that the understanding was tentative and subject to amendment in the light of current negotiations with other countries.

Ambassador Dulles said that there had been at least one United Nations resolution which called upon all nations to assist the United Nations effort in Korea, whether or not they were members of the United Nations. This resolution (dated January 30, 1951)¹ would be a mandate to Japan to continue its assistance to the United Nations operations in Korea, and would be a basis on which a commitment to this effect by Japan could be sought. Because of this resolution, which "calls upon all states and authorities to continue to lend every assistance to the United Nations action in Korea", Japan could not be accused by the Soviets of a partial, wrongful attitude.

Colonel Babcock pointed out that it was to Japan's material advantage to continue to support the operation in Korea, and Ambassador Dulles expressed confidence that it would do so. General Magruder asked whether it would not be wise to seek an understanding from the Japanese that they would continue their support and Ambassador Dulles agreed that it would.

National Police Reserve

Mr. Johnson said that he and other Defense members of the Mission had talked to General Shepard regarding the National Police Reserve. Mr. Johnson summarized what General Shepard² had had to say, and

¹ The Resolution adopted January 30 by the First Committee, subsequently passed as Resolution 498 (V) of the United Nations General Assembly, February 1, is scheduled for publication in volume VII.

² Maj. Gen. Whitfield P. Shepard, Chief, Civil Affairs Section, GHQ, SCAP.

said that he had prepared a memorandum of the conversation ³ which he would give to Ambassador Dulles. Ambassador Dulles said that the picture painted by General Shepard was a rather gloomy one.

Documents

It was agreed that copies of the three main statements of understanding with the Japanese Government, the two addenda and the exchange of letters between Ambassador Dulles and Prime Minister Yoshida on the fishing question should be provided General MacArthur and Ambassador Sebald. Ambassador Sebald suggested that the papers to be initialed and exchanged the following day with the Japanese be covered by a brief memorandum explaining their origin and status. Ambassador Dulles agreed, saying that his initialing would simply identify the papers as being those referred to in the memorandum.

³ Dated February 7, not printed (Lot 55D598: Files of the Office of Northeast Asian Affairs.)

Lot 56D527

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING FEBRUARY 10, 9:30 A. M.

Call on Emperor

Ambassador Dulles said that Mr. Yoshida had informed him at dinner the previous evening that he had had an intimation from the Emperor that he would be very pleased if Ambassador Dulles would call on him. Ambassador Dulles said that he had stalled off the Prime Minister, saying that he would have to refer the question to Washington and was not sure whether a reply could be received in time. He had later telephoned the Department and Mr. Merchant ¹ had called back saying that it was thought advisable for the call to be made. Ambassador Dulles said that he planned to invite Mrs. Dulles and Ambassador and Mrs. Sebald to accompany him, giving the visit a social cast.

Concluding Press Release

Ambassador Dulles said that at Mr. Yoshida's request he had agreed, in referring to the continued stationing of U.S. forces in Japan after a treaty, to change the word "retention" to "maintenance". "Main-

¹ Mr. Merchant was Deputy Assistant Secretary of State for Far Eastern Affairs.

tenance" seemed to be a middle word close enough to "retention" so that he felt he could make the change on his own authority.²

Conversation with General MacArthur

Ambassador Dulles said that he had had a good talk with General MacArthur the previous evening. The General was very enthusiastic about what the Mission had done and said that if any difficulties should be encountered in the future regarding the Japanese side of the treaty Ambassador Dulles should let him know and he would do all he could to help overcome them. Mr. Johnson said that General MacArthur had told him too that he would back the Mission's work one hundred percent. Ambassador Dulles also noted that General MacArthur had made quite a bitter attack on the British, saying that they would not let the U.S. make the intended peace with Japan if they could help it.

Ambassador Dulles went on to say that the business of dislodging the occupation ("from villas to barracks") was going to be a Herculean task. Consequently, the more it was possible to get General MacArthur committed to the treaty and to keep him committed the better. If General MacArthur's intimates do not put pressure on him to hold off on the treaty it will be the first time in history. General Magruder said that when General MacArthur left following the signing of the treaty his subordinates would be left high and dry.

Japanese Fishing

Ambassador Dulles said that the Department had indicated authorization was being sent to release the fishing letters. He said that there would not be time for this to be done before the Mission's departure but that Ambassador Sebald could take care of it afterward. It was decided that copies of the letters should be furnished General MacArthur for information.

The Mission's Work

Ambassador Dulles said that he believed that the Mission had achieved an acceptance of its approach by the Japanese which went beyond formal political acceptance. He expressed appreciation to Ambassador Sebald for the valuable assistance which he had afforded. Ambassador Sebald said that the departure of the Mission could be expected to be followed by a feeling of let-down and anxiety on the

² In his public statement of February 11, Mr. Dulles said in part: "We have discussed the future security of Japan. On February 2, with the authority of my government, I publicly stated that if desired by Japan, the US would sympathetically consider the maintenance of US armed forces in and about Japan." Full texts of this statement and that of the Prime Minister released simultaneously are included in telegram 1548 from Tokyo, February 12, not printed. (694.001/2-1251) For Mr. Dulles' broadcast address of March 1, "Laying Foundations for a Pacific Peace", see Department of State *Bulletin*, March 12, 1951, p. 403.

part of the Japanese. He expressed the hope that Ambassador Dulles could find ways following his return to Washington to keep Japanese treaty hopes alive and the people buoyed up.

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by the United States Political Adviser
to SCAP (Sebald)*

TOKYO, February 10, 1951.

Subject: - Audience with the Japanese Emperor.

Participants: Emperor Hirohito
Ambassador and Mrs. John Foster Dulles
Ambassador and Mrs. W. J. Sebald
Mr. Y. Matsudaira
Mr. T. Mitani
Mr. A. Matsui (Interpreter)

Pursuant to arrangements made this morning, Ambassador and Mrs. Dulles, Mrs. Sebald and I proceeded to the Imperial Palace in Tokyo for the purpose of having audience with Emperor Hirohito. The audience was held in a private room and was conducted informally and in an atmosphere of sociability and cordiality.

After some conversation on non-political matters, at my suggestion, Ambassador Dulles briefly explained the accomplishments during his visit, and commented upon the type of treaty which it is hoped can be concluded between the United States, its Allies, and Japan. Ambassador Dulles also commented briefly upon the bilateral agreement, in accordance with which, at the request of Japan, United States armed forces will be stationed in and about Japan as a provisional measure, and pending such time as Japan will be able to provide for its own defense. In response to this explanation, the Emperor expressed wholehearted agreement and appreciation to the United States for the friendly manner in which the "negotiations" had been carried out between the Dulles Mission and the Japanese Government.

Ambassador Dulles said that he hoped the Emperor would lend his support, if necessary, to the proposed treaty, as, in his opinion, it is desirable that the Japanese people as a whole support the treaty which we believed to be fair and reasonable. The Emperor again expressed his concurrence and said that he was fully in accord with the concepts mentioned.

During the course of the conversation, the Emperor said that he was fully aware that Japanese troops had committed many misdeeds

in other countries, and that for this reason the peoples of Asia probably were not friendly to the Japanese. He hoped that Japan, by its example, could overcome the bad reputation so made, and that the peoples of Asia would live peacefully side by side with Japan. He also said that he was very sorry not to have had the power to prevent Japan from making war against the United States, but that under the existing circumstances there was little that he could do.

In concluding the audience, Ambassador Dulles said that he hoped the Emperor would have no objection if he were to extend the Emperor's greetings to President Truman. The Emperor asked that Ambassador Dulles by all means do so, and to say that he also expressed the wish that Japan and the United States would always live side by side in peace.

W. J. SEBALD

694.001/2-1051

The Consultant to the Secretary (Dulles) to the Secretary of State

SECRET

TOKYO, February 10, 1951.

DEAR DEAN: I enclose herewith an original Memorandum of February 9, 1951, signed by John Allison and Iguchi, identifying and explaining the status of five annexed drafts dealing with the peace settlement.

I likewise enclose the original of a letter to me from Prime Minister Yoshida dated February 7, 1951, together with a copy of my reply to him, dealing with fisheries.¹

I believe that the drafts annexed to the Memorandum of February 9, 1951, go as far as permitted under our Terms of Reference in ascertaining that the Japanese Government will be presumably prepared to make a peace settlement conforming fully to the conditions established by the Terms of Reference to our Mission.

I am asking Assistant Secretary Johnson, who is leaving tonight direct for Washington, to bring these documents to you and I shall report fully to the President and yourself upon my return after my visits to the Philippines, Australia and New Zealand. In accordance without our present schedule, we should be back about February 23rd.

I might add that we have had throughout the most cordial relations with General MacArthur and that there has been complete harmony within our Mission and, I think, general satisfaction with the results achieved.

Sincerely yours,

JOHN FOSTER DULLES

¹ Not printed. See footnote 8, p. 859.

[Enclosure]

MEMORANDUM

Annexed hereto are five drafts serially numbered I, II, III, IV and V, each of which has been initialed by Mr. John M. Allison of the U.S. Mission and Mr. Sadao Iguchi of the Japanese Foreign Office for the purpose of identifying these drafts as being those which have been the subject of discussions between Mr. John Foster Dulles and his associates, and Mr. Shigeru Yoshida and his associates.

It is understood that neither these discussions, nor the initialing for identification of the annexed drafts, involves any commitment by the United States or Japanese Governments, but that the exchanges of views to which these drafts relate represent merely one stage in the process of seeking a peace settlement. The present views of the United States are subject to further consideration by it, and subject to further consultation with other interested governments.

JOHN M. ALLISON
S[ADAO] IGUCHI

TOKYO, February 9, 1951.

[Annex] I

[Here follows text of the Provisional Memorandum dated February 8 and initialed by Messrs. Iguchi and Allison on the 9th. Only two changes were made from the draft of February 3, page 849. In the paragraph headed "Sovereignty", the phrase "and their elected representatives" was omitted. The following sentence was dropped from the paragraph on "Security": "Assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan would not be deemed intervention in the internal affairs of Japan." Both "annexes" to the February 3 draft were retained unchanged with the February 8 draft.]

[Annex] II

[Here follows text of the Agreement between the United States of America and Japan for Collective Self-defense initialed February 9 by Messrs. Iguchi and Allison. In it only two changes were made from the draft of February 5, page 856. The second sentence of the Preamble now read: "On the coming into force of that Treaty, Japan will not have the means to exercise her inherent right of self-defense because she has been disarmed." The altered last sentence of numbered paragraph (1) was as follows: "Assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan caused through instigation or intervention

by an outside Power or Powers would not be deemed intervention in the internal affairs of Japan.”]

[Annex] III

ADDENDUM TO AGREEMENT BETWEEN THE UNITED STATES OF AMERICA
AND JAPAN FOR COLLECTIVE SELF-DEFENSE MADE PURSUANT TO THE
TREATY OF PEACE BETWEEN JAPAN AND THE ALLIED POWERS AND
THE PROVISIONS OF ARTICLE 51 OF THE CHARTER OF THE UNITED
NATIONS

In a resolution adopted at the 438th meeting of the First Committee on 30 January 1951, the United Nations:

“Calls upon all States and authorities to continue to lend every assistance to the United Nations action in Korea;

“Calls upon all States and authorities to refrain from giving any assistance to the aggressors in Korea.”

Accordingly, should forces of the United Nations still be conducting operations in Korea at the time this treaty goes into effect, Japan will permit the United Nations to continue to support United Nations forces in Korea through Japan in the same manner, and under the same financial arrangements, after the treaty goes into effect as before. Such use of Japanese facilities and services will be at the expense of the United Nations with the exception of those facilities and areas provided to the United States under the Administrative Agreement implementing this treaty.

(*Note:* The assistance now being rendered by Japan to the United Nations' effort in Korea consists in general of all forms of supplies and equipment and all forms of services, including but not limited to, repair of motor vehicles, weapons and equipment, ship charters, stevedoring, rail transportation, lease of telephone and cable lines and common labor. All of the above goods and services, amounting in value to approximately \$200,000,000 over the past seven months, have been furnished at United Nations expense.)

[Annex] IV

ADMINISTRATIVE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA
AND JAPAN TO IMPLEMENT THE PROVISIONS OF THE AGREEMENT THEY
HAVE ENTERED INTO FOR COLLECTIVE DEFENSE

In accordance with the provisions of Paragraph 3 of the Agreement for Collective Defense the following administrative arrangements are agreed to by the governments of the United States of America and Japan:

CHAPTER I

Status of Garrison Troops

(1) The United States forces stationed in Japan shall enjoy the privileges and immunities which are normally accorded under international law to the forces of a nation stationed in a foreign country in peace time.

(2) United States forces shall customarily be garrisoned at installations under the control of the allied occupation forces at the termination of the occupation, and all such facilities or areas required by them shall remain under the control of the United States forces. The facilities and areas to be retained by the United States forces are specified in Annex A.

(3) Further assistance, including the use of additional land areas, installations or other facilities, as may be required in the absence of hostilities or imminently threatened hostilities by the security forces for garrison purposes, shall be provided by Japan as mutually agreed between the United States and Japanese Governments. Such assistance shall include the use of coastal areas of appropriate size and location for military exercises, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air operations. Operations in such areas shall be carried on with due regard and safeguards for the public safety.

(4) Japanese real and personal property utilized from time to time by United States forces shall, when no longer required, be returned to the Japanese government in good condition, subject to normal depreciation or ordinary wear and tear. Except for losses arising directly from hostilities, the United States government shall pay just and reasonable compensation, when accepted by claimants in full satisfaction and in final settlement, for claims, including claims of insured but excluding claims of subrogees, on account of damage to or loss or destruction of private property, both real and personal, or personal injury or loss of life or limb to any Japanese citizen when such damage, loss, destruction or injury occurs during the period of this agreement and is caused by the armed forces of the United States, or individual members thereof, including military or civilian employees thereof, or otherwise incident to non-combat activities of such forces; provided that no claim shall be considered unless presented within one year after the occurrence of the accident or incident out of which such claim arises. A representative of the Japanese government will be invited to take part in any investigation made to determine the justice of any claim introduced by a Japanese citizen and to determine the amount of compensation to be recommended for payment.

(5) It is mutually agreed that the United States shall have the rights, power and authority within installations or areas as are necessary for the establishment, use, operation and defense thereof, or appropriate for the control thereof, and all the rights, power and authority within the limits of territorial waters and air space adjacent to, or in the vicinity of, installations or areas which are necessary to provide access to them, or appropriate for their control.

[Here follow provisions which are identical to those forming all but the first paragraph under the heading "Further Description of Rights" in the draft bilateral security treaty of October 27, 1950, printed in *Foreign Relations*, 1950, volume VI, page 1336, and the maritime clauses, identical to those under the heading "Shipping and Navigation" in the draft of a revised undated security "Agreement", page 847.]

(9) The United States shall have exclusive control over all installations and areas in Japan utilized by United States security forces, and exclusive jurisdiction over the military and civilian personnel of the government of the United States and their families within the said installations and areas, as well as over all other persons within such installations and areas except Japanese citizens. The government of the United States shall retain the right, however, to turn over to the Japanese authorities for trial and punishment any person, other than a citizen of the United States, committing an offense in such installations and areas. The Japanese authorities shall turn over to the United States authorities for trial and punishment any of the United States military or civilian personnel and their families who may commit offenses outside of such areas. The Japanese authorities and the United States authorities shall undertake adequate measures to insure the prosecution and punishment of all such offenders, it being understood that relevant evidence shall be furnished reciprocally to the two authorities.

[Here follow paragraphs similar in substance to the sections headed "Exemptions in Favor of Security Personnel and Incoming Goods", "Postal Facilities", "Sales and Services", and "United States Reserve Organizations" in the draft bilateral security treaty of October 27, 1950.]

CHAPTER II

Expenses

(1) Expenses of the United States forces stationed in Japan shall be borne by the United States, excepting such expenses concerning places, facilities or services as may be borne by Japan. The facilities and services to be furnished by Japan at her expense are set forth in detail in Annex B.²

² Lettered annexes to this document not found in Department of State files. (The projected clauses may not yet have been drafted.)

CHAPTER III

Committee

(1) In order to facilitate agreement on matters concerning sites, facilities, expenses and status of garrison troops, there shall be established a committee to be composed of equal number of representatives of the two countries. This committee shall come into being upon the date this administrative agreement becomes effective. The committee shall be so organized that it may meet immediately at all times. The committee may establish such auxiliary organs as may be required.

CHAPTER IV

Collective Defense Measures

(1) In the event of hostilities or imminently threatened hostilities in the Japan area, all United States forces in the Japan area, the National Police Reserve, and all other Japanese organizations having military potential, shall be placed under the unified command of a Supreme Commander designated by the United States government after consultation with the Japanese Government.

(2) In the event of hostilities or imminently threatened hostilities, the Supreme Commander of all forces in Japan, designated in accordance with par (1) above shall have the authority to use such areas, installations and facilities in the Japan area and to make such strategic and tactical disposition of military forces as he may deem necessary. In taking such actions, the Supreme Commander shall consult with appropriate representatives of the Japanese government.

(3) In locating the aforesaid areas for strategic and tactical disposition, the fullest consideration consistent with military necessity shall be given to the welfare, health and economic needs of the local population.

[Annex] V

ADDENDUM TO ADMINISTRATIVE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND JAPAN TO IMPLEMENT THE PROVISIONS OF THE AGREEMENT THEY HAVE ENTERED INTO FOR COLLECTIVE DEFENSE

Chapter II entitled "Expenses" of the Administrative Agreement states that the facilities and services to be furnished to the United States forces by Japan at her expense are set forth in detail in Annex B.

It is understood that the facilities and services to be furnished by Japan at her expense will be, in general, the same that are furnished by other sovereign powers in whose territory the United States stations armed forces. Since there is not complete uniformity in all countries as to what facilities and services are furnished, because conditions differ, it is understood that the facilities and services that will be furnished by Japan will be similar to those furnished by Great

Britain to the United States Air Forces expanded to cover appropriate requirements of the Army and Navy. Under this understanding Japan would furnish:

Real estate rental for all real estate utilized by the United States forces (to be listed in Annex A).³

Free use of facilities jointly used (such as airfields and port facilities not listed in Annex A).

Free rail, truck and bus transportation of freight and of personnel travelling on official business.

Should any major change occur in the general type of assistance furnished in other sovereign countries prior to the signing of the Administrative Agreement, the United States representatives will propose appropriate changes in Annex B.

³ Lettered annexes to this document not found in Department of State files. (The projected clauses may not yet have been drafted.)

Editorial Note

Prime Minister Sidney G. Holland of New Zealand visited Washington February 5-10, 1951.

Telegram 149 to Wellington, February 10, was a summary of talks held during the Prime Minister's visit. In it the Department stated in part:

"In discussion [of a Japanese peace] treaty, Rusk indicated difficulties which Holland understood: onus on US if responsible for policing restrictions Jap rearmament, also Commie bid Jap support in such event, present Jap disarmament sentiment, difficulty US indefinitely committing forces defend Jap view obvious ability contribute own defense.

"Holland indicated problems security, non-restrictive Jap treaty more acute Aus where strong polit issue, contrast NZ." (694.001/2-1051)

Lot 56D527

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison) at the Malacanan Palace, 10:45 a. m.*

CONFIDENTIAL

MANILA, February 12, 1951.

Participants: President Quirino
Ambassador Dulles
Ambassador Cowen
Felino Neri, Acting Foreign Minister
Colonel C. S. Babcock, United States Army
John M. Allison

After the usual courtesies, President Quirino began by expressing the hope that the United States would not be so interested in working for the rehabilitation of Japan that it would forget the needs and rights of the Philippines. The President indicated that the Philippine people believed that their interests were being neglected at the expense of Japan and he emphasized the necessity of the United States making a wise choice between the Philippines and Japan. Mr. Dulles stated that he did not believe it was correct to talk about a question of choice between Japan and the Philippines. He said that everything that the United States was doing in Japan and elsewhere was in the interest of the common good and that our efforts in bringing about the rehabilitation of Japan were not caused by love of the Japanese but rather were due to our belief that a stable and healthy Japan would be to the interest of all in this part of the world. Mr. Dulles explained that in his opinion Japan is one of the key areas desired by the Communists and that if the industrial potential and the manpower resources of Japan were added to the Soviet and Chinese Communists the Philippines would be in grave danger. It was therefore in the interest of the Philippines as much as anything that the United States was pursuing the policy designed to insure Japan's adherence to the cause of the free world.

[Here follows a portion of the memorandum which is printed on page 152.]

At Ambassador Cowen's request, President Quirino then explained the Philippine attitude concerning reparations from Japan. This, together with the question of security, was the chief point of interest to the Philippine people in any Japanese peace settlement. President Quirino referred to the terrible suffering inflicted on the Philippines and maintained that it was absolutely essential that in some manner the Japanese be made to pay for all the damage and suffering they had caused. President Quirino recognized the difficulties involved in determining what the exact amount of reparations should be and suggested that a beginning might be made on the same basis as had been used in determining war damage claims. It was not quite clear exactly what the President had in mind though apparently he had some belief that it should be possible for Japan to make good at least those portions of claims which it had not been possible to meet under the war damage settlements. He insisted that it was absolutely necessary in view of Philippine public opinion that at least some payment be made even if the total damage estimated at eight billion dollars could not be recompensed.

Mr. Dulles expressed great sympathy for the desires of the Philippines and stated that there was no question that if it were only a matter of justice and equity that the Philippines should receive reparations. The United States, he said, is sympathetic with the Philippine

viewpoint but it has not been able to discover the way by which reparations could in practice be paid. The problem of transferring values from one country to another is extremely complicated. Mr. Dulles outlined at length from his own experience the difficulties encountered after the first world war in obtaining reparations from Germany and also the new schemes which had therefore been developed after the second world war, at Potsdam and Yalta, and in connection with the Italian treaty which had also proved fruitless. There is only one way, said Mr. Dulles, to obtain reparations from a country like Japan which is deficient in natural resources and must import large quantities of raw materials and that is to create a surplus between the necessary imports and the possible exports so that this surplus can be used for reparations payments. Japan on the contrary has a deficit at present, and will for some time to come, and it has been necessary for the United States to make up this deficit in order that there will not be large scale starvation and unemployment in Japan with the consequent danger of encouraging Communist agitation. Mr. Dulles emphasized again that American support for Japan was not a question of liking but rather one of facing realities and due to the recognition that if Japan through economic disasters should fall a prey to Communism it would be a threat to the peace of the whole Pacific area.

President Quirino said he recognized many of these facts and that the Philippines was not asking for its pound of flesh. However, he expressed the opinion that it was not merely a matter of sentiment or justice but that it was also a matter of need and he said that since the end of the war economic rehabilitation had progressed faster in Japan than in the Philippines and that in the opinion of the Philippines it was only just that Japan out of its relative prosperity should be forced to contribute something to the rehabilitation of the Philippines. President Quirino did not demand any immediate payment but suggested that any payments might be spread over a period of years or that the United States might make a guarantee that at some time in the future reparations payments would be made. The Philippines would be ready, President Quirino said, to work in the future with Japan as they realized that neither Japan nor the Philippines could be moved from the Pacific to the Atlantic and that therefore in the long run they must work together. However, in order that a proper climate might be created it would be necessary for some form of reparations to be worked out. Mr. Dulles reiterated that it was really a practical problem and that so far all the studies made by the United States had indicated there was no effective way in which any reparations on a substantial scale could be paid but he added that if the

Philippines could suggest any reasonable alternative the United States would certainly be willing to consider them carefully.

The conversation then turned to territorial and security problems and President Quirino emphasized the deep interest of his country in the future of Formosa and expressed disagreement with what he understood would be the United States' position that the future of Formosa should be determined in the first instance by only the Big Four. President Quirino intended that the Philippines should be a party to any determination of the future of Formosa and that in his opinion some form of United Nations trusteeship might be the most satisfactory solution. Mr. Dulles stated that the original position of the United States had been tentative only; that the United States would certainly wish to consider carefully the views of the Philippine Government on this matter and that he too had long been of the personal opinion that a United Nations trusteeship might be the best solution. However, the Chinese Nationalist Government was completely opposed to any such solution and it would therefore be useful to seek some other formula and in this regard the suggestions of the Philippine Government would be most welcome.

[Here follows another portion of the memorandum which is printed on page 152.]

President Quirino then asked the opinion of Mr. Dulles as to the likelihood of a third world war in the near future and whether or not it was really necessary to begin preparing for such a conflict. Mr. Dulles said that while he did not believe war was inevitable and while the situation was probably somewhat better today than a few months ago, nevertheless it was necessary for the free nations to make strenuous preparation for it would only be as a result of their building up strong forces-in-being that war might be averted. Mr. Dulles expressed the opinion that the Soviet leaders did not wish all out war as they feared the retaliatory power of the United States and its allies but that they would continue through indirect aggression and through satellite operations to attempt to gain their ends and that if the rest of us did not remain strong and unified we would fall individual victims to Communist imperialism. However, if we did work together and continued to increase our economic and military strength, Mr. Dulles is hopeful that all out war would not come.

In closing Mr. Dulles again emphasized the deep interest in the Philippines of the United States and the fact that our whole program for Japan was designed to bring about a situation where the Philippines would not again be subject to the dangers of aggression from any source.¹

¹ Later that same day the Dulles party left the Philippines for Australia.

894.501/2-1551

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, February 15, 1951.

DEAR MR. SECRETARY: I am forwarding herewith for your information and consideration a memorandum of 9 February 1951 in which the Joint Chiefs of Staff present certain recommendations regarding the National Police Reserve in Japan. I concur in these recommendations and believe that, from the military point of view, they should be put into effect as soon as possible.

In the light of their international political implications, I would appreciate your views as soon as possible before presenting these recommendations to the President for his approval. In order to hasten consideration of this matter I am attaching for your comment, a draft letter to the President recommending his approval.¹

Faithfully yours,

G. C. MARSHALL

[Attachment]

TOP SECRET

WASHINGTON, 9 February 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: National Police Reserve—Japan (NPRJ).

1. General MacArthur has reported to the Department of the Army that "the current situation dictates an urgent need for furnishing equipment to NPRJ [National Police Reserve—Japan],² priority to be co-equal with Korean requirements, with the least practicable delay."³

2. The Joint Chiefs of Staff consider that the gravity of the current threat to the security of Japan (which is expected to become particularly acute by early May) makes it urgent to ship immediately to General MacArthur the equipment he has requested.⁴ However, in

¹ Not printed.² Brackets in the source text.³ Quotation is from telegram C-52610, from Tokyo, January 3, 1951, not printed. (Department of Defense Files)⁴ In the telegram cited in footnote 3 above, General MacArthur had requested a detailed list of equipment for the NPRJ, including medium tanks and 155 mm. howitzers. In telegram DA-80467 to Tokyo, January 7, the Department of the Army had replied in part that its own analysis had indicated that "possibly a light div . . . would be preferable to divisional organization you are considering for NPRJ. In particular there has been doubt regarding inclusion of medium tanks, 155 mm. Hows, and other heavy loads in NPRJ Divs." (Department of Defense Files)

In C-52979 from Tokyo, January 8, the Far Eastern Command had replied as follows: "Planned NPRJ divisional structure considered sound and entirely suitable for any eventuality including even the all-out aggression against Japan proper by foreign forces equipped and trained in accordance with Communist tactical doctrine which experience has demonstrated invariably includes the

view of the international and domestic political implications of the NPRJ problem, we feel that you may wish to discuss this matter with the Secretary of State and the President.

3. Because of the urgent necessity of avoiding premature disclosure of any action taken to loan heavy armament to the NPRJ, we suggest that this program hereafter be referred to wherever possible as the "Special Far East Command (FECOM) Reserve" program.

4. The Joint Chiefs of Staff recommend:

a. That you request the President to authorize the Department of the Army to dispatch the attached proposed reply to General MacArthur.⁵

b. That you authorize the Department of the Army, on the basis of the urgency of the project and the desirability of handling this matter through Department of the Army fiscal and administrative channels rather than MDAP to include in its FY 52 budget, under the heading of "Special FECOM Reserve", a request for funds to support a program for equipping up to ten NPRJ divisions in a manner similar to that recommended by General MacArthur in the case of the four NPRJ divisions now in being.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

extensive employment of tanks and artillery. Against such a force, an NPRJ lacking medium tanks and at least medium artillery would be utterly inadequate. A most recent and striking case in point was the complete inability of the light South Korean divisions to cope with the tank supported North Korean forces." (Department of Defense Files)

⁵ Not printed.

790.5/2-1751

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

CANBERRA, February 17, 1951—afternoon.

NOTES ON CONVERSATION AMONG AMBASSADOR DULLES, MINISTERS FOR EXTERNAL AFFAIRS OF AUSTRALIA AND NEW ZEALAND,¹ AND STAFFS²

[Here follows the first part of the conversation, which is printed on page 169.]

Mr. Spender said that there was one other matter which had come up in the Cabinet meeting the previous evening which he wished to mention to Ambassador Dulles. During the war all Australian troops

¹ F. W. Doidge, Minister of External Affairs and Island Territories.

² The usual list of persons attending is not given with this memorandum.

received a weekly field allowance of three and six a day. A considerable number of former Australian prisoners of war of the Japanese had claimed that they were entitled to this allowance during the period of their captivity in addition to their other pay. The Government did not accept this claim but felt that some compensation should be paid, many of the prisoners having suffered greatly. It therefore set up a commission which rejected the claim, holding that the former prisoners were not entitled to payment on a basis comparable to that of serving troops. The commission recommended, however, that Japan be compelled in the peace treaty to meet the claims on reparations account. Mr. Spender said that this recommendation had been made a few months previously and that the amount involved was some 4 to 6 million Australian pounds. Japanese assets in Australia totaled only about a half million pounds. He said that he simply wished to raise the matter with Ambassador Dulles, believing that something should be obtained if possible for these men. Perhaps there was some Japanese owned gold which could be used for the purpose.

Mr. Spender then said that he would like to make a few comments on the Provisional Memorandum³ given him by Ambassador Dulles the previous day and outlining proposed terms of a Japanese peace settlement. He inquired first why it had not been provided that Japan should turn over the Kuriles and Southern Sakhalin to the USSR. Ambassador Dulles replied that he had informed Mr. Malik that we would be prepared to support the Soviet claim to these territories if the USSR were a party to the treaty. The U.S. did not, however, see any point in helping the Soviets to clear their title if the USSR did not participate. Mr. Spender inquired whether this might not lead to irredentist sentiment in Japan. Ambassador Dulles said that he assumed that Mr. Spender had in mind the possible undesirability of increasing friction between the USSR and Japan, friction which might become a source of danger to us all. The U.S. position, however, was essentially a bargaining one. Ambassador Dulles also noted that there is a legitimate dispute as to what constitutes the Kuriles.

Mr. Spender's second point was with regard to Formosa. He said that if the intention was to confirm the National Government's title to the island Australia would have serious reservations. The Australian Government has no desire to recognize the Chinese Communist regime but is very unhappy over continued recognition of the National Government, and would be reluctant to strengthen that Government by giving it Formosa. Ambassador Dulles said that Formosa presented a difficult problem. It was not our intention to confirm the

³ Of February 15, not printed. Aside from the omission of the section headed "General Observations", this paper is identical to that described under Annex I to the letter of February 10 from Mr. Dulles to the Secretary, p. 875.

National Government's title to Formosa. Mr. Spender suggested that the best solution might be to require Japan to renounce title without indicating to whom title had been transferred.⁴

⁴For other documentation regarding Japanese matters discussed during the Dulles Mission's stay in Australia (February 14-19), see pp. 155 ff.

790.5-MAP/2-2051

The Assistant to the Secretary of Defense for International Security Affairs (Burns) to the Deputy Under Secretary of State (Matthews)

SECRET

WASHINGTON, February 20, 1951.

DEAR MR. MATTHEWS: The Chairman of the Munitions Board¹ has forwarded the attached draft memorandum to the Secretary of Defense for his signature. The Munitions Board approved these recommendations on 1 February 1951.

Before completing action on these recommendations I should appreciate the reaction of the Department of State to these recommendations, from the political point of view.

Sincerely yours,

J. H. BURNS

[Attachment]

MEMORANDUM FOR THE SECRETARY OF THE ARMY,² THE SECRETARY OF THE NAVY,³ THE SECRETARY OF THE AIR FORCE,⁴ THE CHAIRMAN, MUNITIONS BOARD

Subject: Japan as a Source for Supply of U.S. Military Requirements.

1. The Munitions Board has informed me that it recently considered the utilization of Japan as a source for U.S. current and war-time requirements for (1) the acquisition of supplies and equipment for use of U.S. forces, particularly in the Pacific area and (2) in support of proposed U.S. military assistance programs in Southeast Asia.

2. It was the conclusion of the Board also that it would be in the best interests of the U.S. to initiate industrial mobilization planning in Japan with a view to utilization of Japan as a supplemental source of supply for U.S. military requirements in another world conflict. Such utilization would (a) give the U.S. a logistics advantage in supplying U.S. and allied forces in the Pacific area, (b) result in a reduction in U.S. dollar aid to Japan, and (c) conserve U.S. resources.

¹ John D. Small.

² Frank Pace, Jr.

³ Francis P. Matthews.

⁴ Thomas K. Finletter.

3. In recommending that planning be initiated for utilization of Japanese industry, the Board recognized the availability of extensive war production facilities and the existence of a large force of skilled labor in Japan.

4. The Munitions Board believes that the success of any planning and programs is contingent upon the placing of educational orders in Japanese industry.

5. In view of the foregoing, it is requested that the three Military Departments

a. Increase purchases of military equipment and supplies in Japan to the extent practicable for use of U.S. forces, particularly in the Pacific area.

b. Survey Japanese industrial capabilities further in collaboration with the Munitions Board, with a view to (1) maximum practicable utilization as a source for equipment for U.S. forces and for military assistance programs in Southeast Asia, and (2) full utilization of Japanese industry in event of another world conflict.

6. It is requested that the Department of the Army request the Supreme Commander for the Allied Powers to initiate an industrial mobilization planning program in Japan, which program will be worked out in collaboration with the Munitions Board and the Military Departments.

894.501/2-1551

*Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Acting Secretary of State*¹

TOP SECRET

[WASHINGTON,] February 22, 1951.

Subject: Heavy Armament of Japanese Divisions

Problem:

In his letter of February 15, 1951, the Secretary of Defense transmits for "your information and consideration" a memorandum from the Joint Chiefs of Staff which recommends immediate approval and shipment of U.S. heavy divisional equipment (tanks, artillery, etc.) requested by General MacArthur to equip four divisions of the Japanese National Police Reserve. The recommendation also contemplates the approval of funds to support a program for equipping six additional divisions so as to make an eventual total of ten divisions. In making this recommendation, the Joint Chiefs of Staff state that they "consider that the gravity of the current threat to the security of Japan (which is expected to become particularly acute by early May)" makes it urgent to ship the equipment immediately. In his

¹ This memorandum was drafted by U. Alexis Johnson, and was cleared by, among others, Mr. Dulles.

letter, General Marshall states that he concurs in these recommendations and believes that "from the military point of view" they should be put into effect as soon as possible. However, in the light of the "international political implications" General Marshall requests your views before presenting the recommendations to the President for his approval.

Background:

Potsdam Declaration—Paragraph 6 of the Potsdam Declaration² states that "a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world". Paragraph 7 provides for the occupation of Japan until such a new order is established and until "there is convincing proof that Japan's war-making power is destroyed".

Initial Post-Surrender Policy—The United States Initial Post-Surrender Policy for Japan, issued on August 29, 1945,³ stated that "Japan is not to have an army, navy, air force, . . ." and "Japan's ground, air and naval forces shall be disarmed and disbanded . . ."

Far Eastern Commission—Decisions in the "Basic Post-Surrender Policy for Japan" unanimously approved by the member governments of the Far Eastern Commission on June 19, 1947,⁴ were to complete the task of physical and operational demilitarization of Japan by measures including "total disarmament". It was further agreed that Japan would be completely disarmed and demilitarized, that the authority of the militarists and the influence of militarism would be totally eliminated, and that all institutions expressive of the spirit of militarism and aggression would be vigorously suppressed. This policy was set forth in great detail in the policy decision of August 14, 1947, entitled "Reduction of Japanese Industrial War Potential" and the policy decision of February 12, 1948, entitled "Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment".

Japanese Constitution—Article 9 of the new Japanese Constitution adopted with the enthusiastic approval of SCAP reads that ". . . land, sea and air forces, as well as other war potential, will never be maintained".

Japanese Attitudes—Following the end of the war the Japanese people generally embraced the demilitarization program of the occu-

² For text of the Proclamation of the Heads of Governments, United States, China, and the United Kingdom, July 26, 1945, see *Foreign Relations*, 1945, The Conference of Berlin (The Potsdam Conference), vol. II, pp. 1474-1476.

³ Sent to General MacArthur August 29 but not given final approval by the President until September 6. For text, see Department of State *Bulletin*, September 23, 1945, p. 423.

⁴ Printed in Department of State, *Far Eastern Commission: Second Report*, pp. 49-58.

pation and the preponderant sentiment of the people was strongly in favor of complete disarmament and "neutrality". While the Korean affair, statements by SCAP, Mr. Dulles' visit, and other developments are bringing a growing realization to the Japanese that it will be necessary for them to contribute to their own defense, there is not yet any considerable sentiment in favor of general rearmament. There is little doubt but that the equipping of four divisions with heavy equipment would constitute a considerable shock to Japanese public opinion.

SCAP Authorization for National Police Reserve—On July 8, 1950, in a letter to Prime Minister Yoshida, SCAP authorized the Japanese Government to establish a "National Police Reserve" of 75,000 men. It is the understanding of the Department that the National Police Reserve is organized and trained along the lines of a military organization although there is an attempt to use nonmilitary nomenclature for ranks and elements within the organization.

Estimate of Soviet Probable Intentions Toward Japan—A National Intelligence Estimate of February 10, 1951,⁵ concluded that "There are no positive indications that the USSR intends to attack Japan by mid-April 1951, but it has the capability of doing so and could launch such an attack without any appreciable warning."

It is our informal understanding that the statement by the Joint Chiefs of Staff to the effect that the current threat to the security of Japan is expected to become particularly acute by early May is not based upon any new information of a positive character, but is a conclusion based primarily on the factors of estimated Soviet capabilities, weather conditions at that period, and presumed Soviet intentions.

The existence of the National Police Reserve, which is presently equipped with light arms, would appear to preclude the possibility of a successful covert attack on Japan (e.g. by indoctrinated Japanese prisoners taken by the Soviets at the time of the Japanese surrender and not repatriated).

Thus it must be assumed that a successful Soviet attack on Japan would require a full-scale military effort which would involve at the least Soviet attacks upon US vessels and aircraft, and US military installations in Japan.

⁵ The mentioned document, "Estimate of Soviet Probable Intentions Toward Japan", is not a National Intelligence Estimate but forms Enclosure B to Special Estimate 2, "Probable Effects on Soviet Intentions and Capabilities of Arming the Japanese National Police Reserve as Four Fully Equipped Divisions," February 21, 1951. Neither of these Estimates is printed. (Files of the Bureau of Intelligence and Research)

SE-2 carries the following attribution: "The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate and concur in it. This paper is based on information available on 19 February 1951."

Sino-Soviet Reactions to Japanese Rearmament—Responsible officials of the USSR have in effect declared in public statements and speeches in the UN and Allied Council for Japan that they consider the rearmament of Japan as intolerable. The Chinese Communists have taken the same line. Both have officially and in their propaganda repeatedly charged that the rearmament of Japan is already taking place and that the manpower and material resources of Japan are being used by the United States to support the “war of aggression against the Korean people.”

Article I of the Sino-Soviet Treaty of February 14, 1950,⁶ provides that “Both High Contracting Parties undertake jointly to take all necessary measures at their disposal for the purpose of preventing a repetition of aggression and violation of peace on the part of Japan or any other state which should unite with Japan, directly or indirectly, in acts of aggression.”

On the anniversary of that pact this year Chou-En-Lai charged the United States with rearming Japan and directly linked the charge to the Sino-Soviet treaty. At the same time Moscow and Peiping commentaries, as well as *Pravda*, gave particular emphasis to the charge that the United States was rearming Japan for aggressive purposes and that the Sino-Soviet treaty is a “counterweight” to these “unlawful” activities.

A CIA Special Estimate of February 21, 1951,⁷ with which all the intelligence organizations concurred, concludes that the Soviets “would not resort to direct military action merely to prevent the conversion of the Japanese National Police Reserve into fully equipped divisions”, but that “should the USSR decide to invade Japan, even a partial rearmament of Japan would of course provide a convenient pretext to justify such aggression”. The Estimate also concludes that the equipping of the divisions would be seized upon to intensify the campaign of propaganda and intimidation against Japanese rearmament which would, in any event, be continued.

Effect on Soviet Capabilities—The above-mentioned Special Intelligence Estimate of February 21, 1951, also concludes that “the creation of four fully equipped, combat-efficient, and tactically disposed Japanese divisions would limit, but could not in itself effectively reduce, Soviet capabilities to invade Japan. However, the existence of such a Japanese force, supplemented by available US Forces, would make a Soviet invasion of Japan a major military operation.”

Attitudes of Friendly Powers—The Philippines, Australia and New Zealand, in particular, are very concerned over the question of the rearmament of Japan and the possible resurgence of Japanese militarism and may be expected vigorously to oppose any such moves

⁶ For text, see United Nations Treaty Series (UNTS), vol. 226, p. 12.

⁷ See footnote 5 above.

except in the context of what they would consider satisfactory guarantees on the part of the United States. One of the principal objectives of Mr. Dulles' present trip is to secure the cooperation of those countries in the type of peace treaty with Japan desired by the United States.

Whatever rationalization might be used to defend the action, the furnishing of heavy armament to the National Police Reserve would unquestionably be regarded by most, if not all, of the members of the Far Eastern Commission as a clear violation of the policy decisions of the Commission largely drafted and fully supported by the United States at the time of their adoption. Apart from the exercise by the Soviets by their right of veto of any changes in those decisions, it is very doubtful whether there would be any support whatever in the Commission for a proposal to amend those decisions so as to permit the heavy armament of the Japanese Police Reserve.

Council of Foreign Ministers—If the present discussions lead to the decision to hold a CFM it is likely that such a meeting would be in session during the period that the equipping of these Japanese divisions would inevitably become generally known.

Discussion:

From the foregoing background it is evident that a unilateral decision by the United States to fully arm four Japanese divisions prior to a treaty of peace might well lead to the breaking up of the Far Eastern Commission with mutual recriminations and prejudice to our relations, even with our best friends. This danger could to some extent partially be minimized by prior bilateral consultation with a few of the countries most likely to be receptive. However, such consultations would not be productive unless we were able to persuade those countries that the danger of a Soviet invasion of Japan is "real and present". However, it would be very difficult to convince them that the danger of Soviet aggression against Japan is markedly greater than the danger of such aggression against several other areas, or so great as to justify extraordinary measures prior to such time as Japan can be rearmed in accordance with orderly international decisions.

While the break-up of the Far Eastern Commission would not in itself seriously affect United States interests, the effects flowing therefrom would unquestionably seriously jeopardize the ability of the United States to obtain support for the type treaty we desire to see concluded with Japan, and otherwise tend further to isolate the United States in its policy toward Japan.

It can only be assumed that in making this request General MacArthur gave full consideration to the political effects in Japan. However, the information available to the Department indicates that

while there is a growing sentiment in Japan favoring some rearmament following a treaty of peace there is not now such a sense of emergency as to cause Japanese public opinion to accept rearmament prior to a treaty in complete contradiction to the principles accepted by Japan at the time of their surrender and, until recently, inculcated by the occupation. It should also be noted that in his public statements while in Japan Mr. Dulles placed the question of Japanese rearmament in the context of a free decision to be made by a sovereign Japan joining in collective security arrangements. Unless presented in the context of an immediate and extreme emergency admitting of no choice (with the repercussions that would flow therefrom) there is likely to be a considerable degree of revulsion by the Japanese to their being rearmed at the unilateral decision of the United States during the occupation and without their being given any opportunity whatever to participate in the decision. In this connection, on February 22 Premier Yoshida stated to the press that "To rearm at this time would cause a split among the Japanese people. Because of such considerations I am opposed to rearmament at this time."

There would unquestionably be a marked deterioration in the moral position of the United States vis-à-vis the Japanese people. The Communists would also be given an additional base upon which to build an intensified campaign of propaganda and intimidation that would unquestionably have increased effectiveness in Japan. While it is impossible to estimate the eventual political results in Japan they cannot, at the least, but be inimical to the accomplishment of the long-range objectives of US policy toward Japan.

In connection with our discussions with the Department of Defense during the past few months leading to the decision to dispatch the Dulles Mission, it was implicitly recognized that among the principal purposes of a treaty were: (1) removing the very restrictive Far Eastern Commission policy decisions regarding Japanese armament; (2) obtaining the widest possible degree of international support for arrangements that would permit Japan to contribute to its own security; (3) securing genuine acceptance by the Japanese of the necessity for at least a degree of rearmament.

For the United States now and prior to a treaty to take an action that internationally and within Japan will only be interpreted as a rearming of Japan entirely ignores and to a great extent vitiates the purposes underlying the decision to expedite the conclusion of a treaty.

There is no basis for the intimation in the draft letter to the President enclosed with General Marshall's letter that provision of heavy armament to the Japanese is approved by NSC 13/3^s and NSC 60/1.

^s Titled "Report by the National Security Council on Recommendations With Respect to United States Policy Toward Japan," and adopted at the NSC meeting held May 6, 1949. For text, see *Foreign Relations*, 1949, vol. VII, Part 2, p. 730.

NSC 13/3 (adopted in 1948) [1949] refers to the strengthening of the Japanese police establishment by "reinforcing and re-equipping the present forces". Taken in the context in which that policy was adopted, it clearly has no reference to the equipping of Japanese divisions with United States heavy armament. NSC 60/1 relates only to the agreement between the Secretaries of State and Defense with respect to the security requirements that should be considered in the conduct of negotiations for a Japanese peace treaty. While the Department was not consulted with regard to the formation of the National Police Reserve, we have supported any steps to strengthen Japanese security not clearly inconsistent with international obligations of the United States or which would produce overbalancing adverse reactions among the Japanese or our friends. As long as the National Police Reserve is equipped with "small arms" as permitted by FEC policy, and, therefore, can be defended, it presents no political problem to the Department. However, the organization and equipment of full Japanese combat divisions prior to a peace settlement is an entirely different question.

An additional factor to be considered is the effect of the action becoming known during the period the CFM is in session, if the CFM materializes.

Thus, it is clear that the likely political consequences of the action vis-à-vis our friends and the Japanese are of such a serious and far-reaching character that they can be overbalanced only by the most impelling military considerations.

Based upon the assumption that a successful Soviet attack on Japan would even now require a full-scale military effort which would involve Soviet attacks upon US vessels, aircraft and military installations in Japan, it is difficult to believe that the Soviets would attack Japan except within the pattern of an overall attack against the United States. Therefore the likelihood of a Soviet attack on Japan would not appear to be significantly greater than a general attack upon the United States.

In the case of a general attack upon the United States, Japan would unquestionably be one of the primary targets of the Soviets. The intelligence agencies agree that the creation of four "fully equipped, combat efficient and tactically disposed" Japanese divisions would limit but "could not in itself effectively reduce Soviet capabilities to invade Japan". Furthermore, as it is to be doubted that the Japanese divisions could be "combat efficient" by May with equipment not yet shipped, it does not seem that the equipping of these divisions would constitute in any degree a guarantee that a successful Soviet invasion of Japan could not be carried out.

However, if prior to our obtaining an understanding with our friends on the subject, the Soviets did initiate a localized attack on

Japan on the pretext of violations by ourselves and the Japanese of the disarmament decisions of the Far Eastern Commission, they would be in a position effectively to exploit differences of opinion on the subject and we would probably encounter great difficulty in obtaining support in much of Europe and Asia for counteraction against the Soviets. Therefore, while it is not likely that the Soviets would resort to direct military action merely to prevent the establishment of four Japanese divisions with heavy equipment, if their purpose is to attack Japan, the equipping of the divisions prior to a treaty would enable them to do so under conditions of maximum disadvantage to the United States vis-à-vis its allies and confusion of opinion in Japan itself.

Conclusions:

It is not felt that the military reasons for taking this action at this time are sufficiently impelling to overcome the serious and far-reaching political disadvantages of the action. However, if the treaty is shortly concluded, it should be possible to take the action in cooperation with the Japanese very soon after the conclusion of the treaty. In order to plan for this eventuality it might be well shortly to begin shipment of such equipment to be held in the custody of the Far East Command until proper arrangements for its delivery to the Japanese can be made. In view of the length of time such shipments usually take and the possible imminence of a peace settlement, it may be desirable now to authorize shipment of the equipment with the decision as to its delivery to the Japanese being deferred.

Recommendation:

It is recommended that you approve and sign the attached letter in the foregoing sense to General Marshall.⁹

⁹ Not found attached. A version of February 23, drafted by U. Alexis Johnson, not printed, is filed under 794.5/2-1551. For Mr. Webb's letter of March 1 to Secretary Marshall, see p. 898.

694.001/2-2351: Telegram

The Ambassador in New Zealand (Scotten) to the Secretary of State

CONFIDENTIAL

WELLINGTON, February 23, 1951—11 a. m.

268. Dulles visit¹ although very brief was in my opinion eminently successful. His able and concise explanation our view Japanese treaty

¹ Mr. Dulles was in New Zealand February 19-21, 1951. His party arrived back in Washington February 26, and he met with the President and other officials on the 27th. No memorandum of the conversation with the President has been found in Department of State files. According to a note of February 26 by Mr. Webb, the appointment was to be of only 15 minutes duration. (Lot 65D238: Secretary's Memoranda of Conversation) For a summary of a White

both to full session Cabinet and to Prime Minister and leader opposition separately was well received and although numerous questions were asked to elicit information, I heard no objections voiced. I am convinced our negotiations Japanese treaty at least as far as NZ is concerned will be vastly easier as result this visit. While conversations with Cabinet and Prime Minister obviously confidential our views explained by Dulles in general terms at full-dress press conference. Public opinion and press reaction as voiced editorially shows marked improvement.²

SCOTTEN

Footnote continued from preceding page.

House press release of February 27 regarding Mr. Dulles' talk with the President, see *Public Papers of the President of the United States: Harry S. Truman, 1951* (Washington, Government Printing Office, 1965), p. 176.

On February 28, Mr. Dulles outlined orally to the Under Secretary's Meeting the results of his trip to the Far East. This Meeting, held as often as twice a week, considered important policy papers and heard oral presentations on outstanding issues. The Meeting regularly included all the officers in the Department of Assistant Secretary rank and above (or their representatives) with the exception of the Secretary, as well as a number of people of somewhat lower rank who held key positions.

A summary of Mr. Dulles' remarks on this occasion is in document UM M-312 in Lot 53D250: The Under Secretary's Meeting.

For Mr. Dulles' broadcast address of March 1, "Laying Foundations for a Pacific Peace," see Department of State *Bulletin*, March 12, 1951, p. 403.

² A number of documents in file 694.001 for January and February 1951 indicate that discussions held by Mr. Dulles with members of the Government of New Zealand were entirely of an exploratory and explanatory nature.

694.001/2-2651: Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL

LONDON, February 26, 1951—5 p. m.

4619. Foreign Office has handed Embassy *aide-mémoire*¹ in reply to our representation on need for increased Japanese participation in international relationships (Department's A-568 October 19² and Embtel 2835 November 15³). Substance of *aide-mémoire* is as follows:

1. MFN treatment for Japan. British Government is now giving same treatment to Japanese trade as to trade of GATT members. Only restrictions on Japanese imports at present are imposed on balance of payments grounds. Japanese recovery is important to relieve burden of US taxpayer and to enable Japanese to make contribution to economic development in South and Southeast Asia. British Government is concerned about "unique phenomenon" of Japanese competition which has caused serious difficulties for UK in past. British Government cannot enter into any formal commitment to grant MFN to

¹ Not printed; text included in despatch 4019 from London, February 27, not printed. (694.001/2-2751)

² See *Foreign Relations*, 1950, vol. VI, p. 1348, footnote 1.

³ *Ibid.*, p. 1348.

Japan, but will continue to accord to Japanese trade actual MFN treatment.

2. Japanese trade representatives. British Government will accept Japanese overseas representatives in UK. It will not be possible for some time to accept them in British colonial territories which were occupied by Japanese during war, Malaya, Hong Kong, etc., because of hostile local feeling (position with respect to their colonies unclear and we have requested clarification).

3. International conferences and organizations. British will in pre-peace treaty period welcome participation of Japanese in International conferences and organizations on technical character as observer without right to vote. They will also examine possibility of Japanese participation in such conferences and organizations as full membership relevant to body in question. As exception to above principle British will not agree to Japanese participation in GATT even as non-voting observer.

In delivering note to Embassy officer Muntz⁴ of Foreign Office stated that Government is under strong pressure from textile industry and other industries which have in past suffered from Japanese competition to make statement on trade relations with Japanese and that Wilson, President of BOT,⁵ will do so in House of Commons in near future. Embassy considers it probable that refusal to grant formal MFN commitment is result of strong pressure by industry groups on Government which has narrow majority.

Text of *aide-mémoire* air pouched.⁶

Department pass USPolAd Tokyo as London's 46.

GIFFORD

⁴ Thomas Godric Aylett Muntz, Head of the Economic Relations Department.

⁵ Harold Wilson, President of the Board of Trade.

⁶ A manuscript notation in the source text indicates that no action was to be taken on this message.

Editorial Note

At his press conference, held February 28, Mr. Dulles stated in part that he had sought additional talks with Mr. Malik and that the latter had agreed; however, no date had as yet been set for these discussions.

The New York *Herald Tribune* of March 3 carried the following press statement by Mr. Malik: "With regard to the statement of Mr. Dulles of February 28 about his talks with me, I feel it necessary to state that I do not conduct any talks with Mr. Dulles on the Japanese peace treaty, and that the statement of Mr. Dulles at the press conference regarding his message to me on this matter as well as my willingness to resume negotiations on a Japanese peace treaty is absolutely groundless."

The Department replied to Mr. Malik's remarks in a press statement of March 5. For text, see Department of State *Bulletin*, March 19, 1951, page 453.

For additional information on this question, see the memorandum of March 10 from Mr. Gross to Mr. Dulles, page 907.

894.501/2-1551

*The Acting Secretary of State to the Secretary of Defense (Marshall)*¹

TOP SECRET

WASHINGTON, March 1, 1951.

MY DEAR MR. SECRETARY: Very careful consideration has been given to your letter of February 15, 1951, transmitting a memorandum of February 9, 1951,² from the Joint Chiefs of Staff presenting certain recommendations on the Japanese National Police Reserve in Japan.

The Department of State fully shares your concern over the security of Japan and desire that it be strengthened as rapidly as possible. However, in determining the specific steps that should be taken, it will, as suggested in your letter, be desirable at each stage to give full consideration to the international political implications. The present recommendations of the Joint Chiefs of Staff relate very directly to the relationship of the United States to the Far Eastern Commission, and the present negotiations looking toward an early peace treaty with Japan.

Decisions of the Far Eastern Commission are very explicit with regard to armament permitted to Japanese. Those decisions, which are in effect international obligations of the United States, were in a large part proposed and strongly supported by the United States Government at the time of their adoption.

At the time of the discussions between our two Departments looking toward the present mission of Mr. Dulles, it was recognized that the most practicable means of removing those restrictions on Japanese ability to contribute to their own defense was the conclusion of a peace treaty. One of the principal purposes of Mr. Dulles' recent mission was to obtain as great a degree as possible of international support for the type of treaty which the United States desires to see concluded with Japan, particularly the support of the Philippines, Australia and New Zealand which had evidenced much concern over Japanese rearmament. If the Japanese are provided heavy armament prior to a successful conclusion of the present treaty negotiations, it could well seriously jeopardize the international support which could otherwise be obtained for the type treaty which the United States is seeking.

A unilateral decision by the United States fully to arm four Japa-

¹ Letter drafted by U. Alexis Johnson.

² *Ante*, p. 884.

nese divisions prior to a treaty of peace in direct violation of the decisions of the Far Eastern Commission could also well lead to a break-up of the Commission with prejudice to our relations with even our best friends and largely isolate the United States in its policy toward Japan. This possibility could only partially be minimized if the United States were in a position to persuade a few of the countries most likely to be receptive that the danger of Soviet invasion of Japan is so great as to justify extraordinary measures prior to such time as Japan can be rearmed in accordance with orderly international decisions.

It was also recognized that probably only by a treaty of the type desired by the United States would it be possible to obtain from the Japanese people their maximum identification with the cause of the free world and willingness to accept increased responsibility for contributing to their own defense. Unless presented in the context of such an immediate and extreme emergency as to admit of no choice (with the repercussions that would flow therefrom), it would appear that all elements in Japan opposed to the type treaty desired by the United States would be able to foment opposition to the treaty on the grounds that the furnishing of heavy equipment to the National Police Reserve constituted rearmament of the country, in contradiction to the principles accepted by them at the time of their surrender and, until recently, inculcated by the occupation authorities, at the unilateral decision of the United States and without their being given an opportunity to participate in the decision. This would also give Communist propaganda a base upon which to build an intensified campaign of propaganda and intimidation of increased effectiveness in Japan.

Therefore, if the Soviets should, for any reason, initiate a localized attack on Japan on the pretext of violations by ourselves and the Japanese of the disarmament decisions of the Far Eastern Commission, they would be in a position effectively to exploit differences of opinion between ourselves and our allies on the subject, and we would probably encounter great difficulty in obtaining support in much of Europe and Asia for counter-action against the USSR. Thus, if the Soviet purpose is to attack Japan, the furnishing of Japanese divisions with heavy equipment prior to our obtaining some understanding with friendly countries on the subject of Japanese rearmament might enable the Soviets to carry out the attack under conditions which would make it very difficult for the United States to obtain support from its allies.

It must also be mentioned that if, as now appears possible, the Council of Foreign Ministers³ is in session at the time the receipt of

³ The projected 1951 meeting of the CFM was not held. Documentation on the exploratory four-power talks held at Paris from March to June of 1951 is scheduled for publication in volume III.

this equipment by the Japanese becomes known it would probably result in very adverse effects on the possibility of any degree of success being achieved at those sessions.

Therefore, while the Department of State entirely concurs with the recommendation that heavy armament for four divisions be shipped to the Far East Command so as to be immediately available for any emergency, and that the Department of Defense undertake planning and budgeting for FY 1952 for equipment for an additional six divisions, it believes that the timing of the placing of any such equipment in the hands of Japanese should be carefully considered so as, if possible, not to jeopardize the achievement of the long-range objectives of United States policy toward Japan.

In concurring with the shipment of this equipment to Japan and the planning and budgeting by the Department of Defense for an additional six divisions for FY 1952 it is the understanding of the Department of State that none of the equipment will be placed in the hands of the Japanese without the specific prior agreement of the Department of State. It would be appreciated if the Department of Defense would confirm this understanding.

With the return of Mr. Dulles from his recent trip it will be necessary during the next few months for the Departments of State and Defense to give full consideration to all of the questions that will arise with regard to a possible early peace settlement with Japan. It is suggested that the question of the timing of the turnover of heavy armament to the Japanese is one of the questions which should be considered during that period by both Departments.

Sincerely yours,

[JAMES WEBB]

Lot 54 D 423

*Mr. John Foster Dulles, the Consultant to the Secretary, to the
Supreme Commander for Allied Powers (MacArthur)*

TOP SECRET

WASHINGTON, March 2, 1951.

MY DEAR GENERAL: We arrived home on Monday the 26th from our trip to the Philippines, Australia and New Zealand and I am anxious to tell you of our activities there and of the outcome.

In the Philippines we talked at length with the President, the Acting Foreign Minister and with most of the members of both houses of the Legislature. Reparations seemed to occupy the mind of everyone to the exclusion of almost everything else—including a Pacific Island Pact. The President agreed with me that the safety of his country would be seriously jeopardized were Japan to come under the influence of Soviet Russia and Communist China, but his primary and immediate concern in the matter of security was the question of Formosa. He expressed great fear lest that island come under Communist control

and he made a strong plea that the Philippines be given a voice in the final disposition of Formosa.

The greater part of my conversation with the President, and virtually all of our discussions with others, dealt with the problem of reparations. The Philippines claim some eight billion dollars for damage caused by the Japanese during the occupation. The President seemed to realize the impossibility of extracting such a sum from Japan and suggested, therefore, that the reparations bill be guaranteed by the United States!

No one knows better than you the sufferings the Filipinos have endured and the justice of their claims for some recompense for the damage the country has sustained. Their attitude towards the problem, moreover, is colored by the embarrassed financial condition of the country, the precarious position of the Government and a feeling of jealousy caused by the large grants of U.S. economic aid made to Japan. In explaining the point of view of the United States, I emphasized that we recognized and sympathized with the justice of reparation claims of the Philippines but that past experience with Germany and the most exhaustive examination of every possible procedure had led us to the inevitable conclusion that the extraction of reparations from a naturally poor country like Japan was impossible except at the expense of the American taxpayer, or at the expense of such low living standards as would bring in communism.

It appeared to us that most of those with whom we talked recognized the force of our arguments, but there remains the problem of overcoming the emotional prejudices of the people and explaining to them why the relief to which they have looked forward for so long cannot be had. The present Government has neither the political stability nor the courage to undertake such a task. The only constructive suggestion put forward by any Filipino was that a group of representative and responsible men from the Philippines go to Japan, talk to you, your staff and members of the Japanese Government and then report to the people at home on the results of their investigation. It was suggested that while the people of the Philippines would never accept a renunciation of reparations simply on the say-so of the United States, they might take more kindly to the idea if it were advanced by a group of their own backed by a strong explanatory statement from you. I would appreciate your views on this suggestion.

In Canberra I had a talk with the Prime Minister, a meeting with the Cabinet, and numerous joint conferences over a period of four days with Spender, the Minister for External Affairs, and Doidge, the Minister for External Affairs of New Zealand. Our initial talks dealt entirely with the question of a Pacific Island Security Pact since it was obvious that the willingness of Australia and New Zealand to accept the United States version of a Japanese Peace Treaty would

be conditioned by the degree to which the United States would formalize its security relations to them.

[Here follows discussion of the talks held in Canberra regarding a security treaty. It is printed on page 176.]

In the discussions on the Japanese Peace Treaty, which followed the completion of the talks on the Pacific Island Pact, both Foreign Ministers expressed more or less perfunctory objections to the waiving of reparations and indicated that they would prefer certain restrictions on Japan's war-making capacity even with a Pacific Security Pact. They also objected to Japan's being given a voice in the commutation of sentences awarded War Criminals imprisoned in Japan and expressed considerable concern over Japan's "excess" ship-building capacity and the lack of restrictions in the proposed treaty on Japan's "unfair trade practices." They realized that the United States would not consent to the inclusion of any restrictions in the treaty but expressed a desire for Japan to make a voluntary statement in regard to armaments and accepted trade practices and agree voluntarily to dismantle such of her ship yards as she could not use for "normal peace time requirements." I believe that the above comments were largely "for the record" and that if a satisfactory agreement is reached in regard to a Pacific Security Pact, we will succeed in getting the adherence of the Australian and New Zealand governments to the kind of Peace Treaty we want.

In New Zealand I talked with the Prime Minister, the leader of the Opposition, Mr. Walter Nash, and had a conference with the Cabinet. There I found evidence of a bi-partisan approach to Foreign Policy and I believe that the problem of educating public opinion to accept what will be an unpopular Peace Settlement will be easier than will be the case in Australia.

In Australia the political position of the Government is not strong and I detected a lack of political courage in facing up to popular demand for a restrictive type of treaty. Evatt¹ is making a major political issue of the treaty and I believe that we must push ahead vigorously and try to provide the present Australian Government with help in this matter if we are to get the assent of the Australian nation to the type of treaty we desire.

I was somewhat disturbed to see in a recent Reuters report that I was quoted as having said that the Peace Treaty would be considered by the Far Eastern Commission. Nothing, of course, is farther from my thoughts. I have repeatedly said that the United States was discussing the treaty through diplomatic channels with the nations represented on the Far Eastern Commission and I have indicated that we would continue to do so as well as consult with other inter-

¹ Herbert V. Evatt of the Labor Party, formerly Minister of External Affairs and External Territories.

ested governments. It is apparent that my remarks have been misinterpreted (perhaps deliberately) by a News Agency which has never been particularly friendly to the United States in the Far East.

Ambassador Sebald is working in close touch with me while he is here ² and I know that when he reports back to you he will bring you up to date on our activities. I propose to keep in touch with you by letter and, I hope, through occasional visits by members of my staff. I hope that you will not hesitate to let me know your views on any matters connected with our mutual problem which may come up from time to time.

I want again to express my deep appreciation of your help and counsel and of all that you have done to make it perhaps possible to arrive at a just and lasting peace with Japan. I took occasion at a meeting of the House Foreign Affairs Committee to pay tribute to your contribution, and I did so in the radio report to the country which I made last night.³

With my best personal regards and good wishes to your wife, I am

Faithfully yours,

[JOHN FOSTER DULLES]

² Ambassador Sebald left Tokyo for consultations in Washington during February and returned to Tokyo on March 27.

On March 2, Mr. Sebald gave to the Under Secretary's Meeting an oral evaluation of the situation in Japan. A summary of his remarks is included in document UM M-312 in Lot 53 D 250: The Under Secretary's Meeting.

³ See footnote 2, p. 872.

694.001/3-651: Telegram

The Ambassador in Australia (Jarman) to the Secretary of State

SECRET

CANBERRA, March 6, 1951—noon.

239. Understand External Affairs telegraphed yesterday *aide-mémoire*¹ for presentation to Dulles containing proposals for US consideration for inclusion in Japanese treaty. From viewpoint domestic politics these proposals will record government diligence in seeking protect Australia from Japanese resurgence but as indicated during Dulles visit completion of mutually satisfactory Pacific security arrangement would be expected have bearing on government's final position respect Japanese treaty. Recent conversations indicate no change this atmosphere and still seems degree to which Australian Government will press treaty proposals dependent in large measure on success security negotiations.

Spender now plans arrive Washington early May via London.²

JARMAN

¹ The *aide-mémoire*, not printed, was transmitted to the Department by the Australian Embassy on March 6. (Lot 54 D 423)

² Percy Spender resigned April 26 as Minister of External Affairs and presented his credentials as Ambassador of Australia to the United States on June 8.

694.001/3-851 : Telegram

The Acting Secretary of State to the Embassy in the Philippines

SECRET

WASHINGTON, March 8, 1951—5 p. m.

2048. For Ambassador from Dulles. Your personal judgment desired on Phil reaction to fol propositions concerning Reparations which might be included in Jap Peace Treaty. In each case indicate what PI reaction wld be (a) in case they were included as original member of a Pacific Security Pact, (b) if they were not so included, and (c) if there is no Pact.

Plan A: Treaty wld admit Jap liability for reparations and occupation costs but wld recognize inability of Japan to make full compensation; in consideration of agreement by Allies not to press claims for reparations, U.S. wld renounce claim for repayment approx \$2 billion occupation costs; Allies wld get no Treaty right to compensation for loss or destruction of their property in Japan; reparations wld be deemed to have been satisfied by Jap external assets taken by Allies and by advance transfer program.

Plan B: Provide for reparations from current production on model of Italian Treaty, with safeguards which wld ensure no interference with econ reconstruction of Japan (including the servicing of Jap public and private debt incurred subsequent to September 2, 1945) and no imposition of additional burdens on other Allied or Associated Powers; Japan to pay compensation to Allies and Associated Powers for loss or destruction of their property in Japan; Jap external assets go to respective Allies where located.

Plan A above has the advantage of promptly and finally settling the reparations problem with consequent favorable results to the Jap economy. Having the Treaty make no provision for compensation for Allied property in Japan restores moral position of US, which wld be chief recipient of any such compensation. Plan B, while nominally making possible reparations payments, wld, in view of safeguards, probably result in little or no actual benefit to Philippines. Experience under Italian Treaty has demonstrated that, with the exception of Greece, which has recd only a small amount, no other countries benefitted. However, by making at least nominal provision for some payment, it remains possible to provide for compensation for Allied property lost or destroyed in Japan.

Neither Plan A nor Plan B shld be discussed in any fashion with Filipinos at this time. Your comments are requested soonest.

WEBB

Editorial Note

On March 9, 1951, Mr. Dulles testified before the Senate Foreign Relations Committee, meeting in Executive Session, on issues involved in the negotiation of the Japanese Peace Treaty. For transcript of this testimony, see *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, volume III, part 1, 82d Congress, 1 Session, 1951 (Washington: Government Printing Office, 1976), pages 259-297.

790.5-MAP/2-2051

*The Director of International Security Affairs (Cabot) to the Assistant to the Secretary of Defense for International Security Affairs (Burns)*¹

SECRET

WASHINGTON, March 9, 1951.

MY DEAR GENERAL BURNS: Reference is made to your letter of February 20, 1951² requesting the reaction of the Department of State, from the political point of view, to the recommendations of the Chairman of the Munitions Board to the Secretary of Defense regarding the use of Japan as a source of supply of US military requirements.

The Department has given very careful consideration to the recommendation presented and recognizes the desirability of initiating industrial mobilization planning in Japan, with a view to the utilization of Japan as a supplemental source of supply for United States military requirements.

However, as you know, there are limitations on the use of Japanese resources to accomplish the purposes laid down by the Chairman of the Munitions Board. These limitations are contained in FEC policy decisions, of which the most important is the decision of February 12, 1948 entitled "Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment". Paragraph 3 of that decision provides:

"3. The development, manufacture, importation and exportation of arms, ammunition and implements of war, and materials intended for military use should be prohibited for Japan, except for the importation of no more than the quantities of arms and ammunition necessary for the purposes mentioned in paragraph 2."

(Paragraph 2 referred to in the quotation permits the Supreme Commander to authorize the use of small arms for the civil police and

¹ This letter was drafted in the Office of Northeast Asian Affairs by Alice Langley Dunning.

² To Mr. Matthews, p. 887.

arms for hunters.) Another FEC policy decision of August 14, 1947 likewise is relevant to the consideration of the recommendation of the Munitions Board. This decision is entitled "Reduction of Japanese Industrial War Potential". Paragraph 9(1), expressly prohibits "the development, manufacture or assembly of any combat equipment end-products, or their possession except as authorized by the Supreme Commander, after consultation with the Allied Council for Japan in accordance with the Terms of Reference of the Allied Council for Japan, for the purpose of the occupation." In this connection, paragraph 10 provides that "The Supreme Commander should be authorized to except temporarily from the provisions of this paper particular primary war facilities, secondary war facilities and facilities in war-supporting industries, insofar as such facilities are required to meet the needs of the occupation. In such cases the Supreme Commander will, after consultation with the Allied Council for Japan in accordance with the Terms of Reference of the Allied Council for Japan, provide an explanation of reasons for retention and an estimated date of removal or destruction."

Certain Japanese munitions plants are already being used for the production of material required in the Korean Campaign. The Department has supported this action on the grounds that SCAP was justified in making what use he might determine of these facilities in accordance with paragraph 10 of the FEC policy decision regarding "Reduction of Japanese Industrial War Potential" in view of the fact that at the time such action was initiated, North Korean aggression in addition to being in defiance of the United Nations represented a threat to the occupation of Japan.

The decision of February 12, 1948 does, however, impose a serious obstacle to the prospective plan of the Munitions Board insofar as that plan involves the export from Japan of equipment for military assistance programs in Southeast Asia and equipment for use of United States forces in areas other than Korea. It is clear that arms, ammunition and implements of war may not be manufactured in Japan for exportation to areas other than Korea. It is the view of the Department that the expression "materials intended for military use" the export of which is prohibited in the policy decision of February 12, 1948, would permit the manufacture and exportation of normal peacetime goods. The prohibition of export of "materials intended for military use" should be understood to refer to products which by their construction are designed solely for military purposes.

It is therefore suggested that paragraph 5a be amended to read as follows:

"Continued purchase shall be made of military equipment in Japan to supply the needs of the occupation, including material required

in the Korean campaign; purchase of Japanese equipment other than arms, ammunition and implements of war, and products which by their construction are designed solely for military purposes, should be increased to supply the needs of United States forces elsewhere in the Pacific area."

The Department has no objection to paragraph 5*b* as it now stands.

I would appreciate it if you would let me know if the amendment to paragraph 5*a* is acceptable.³

Sincerely yours,

THOMAS D. CABOT

³ In a letter of March 21 to Major General Burns, Charles A. Coolidge, Deputy Director for International Security Affairs, referred to conversations among the State and Army Departments and the Munitions Board subsequent to this letter and concurred on behalf of the Department of State in the original wording of paragraph 5*a*, "on the understanding that existing policy decisions of the Far Eastern Commission and directives to the Supreme Commander for the Allied Powers continue to govern the production and export of military equipment to and from Japan." (Lot 55 D 598)

Lot 54D423

Memorandum by the Deputy Representative of the United States to the United Nations (Gross) to the Consultant to the Secretary (Dulles)

CONFIDENTIAL

[NEW YORK,] March 10, 1951.

Subject: Conversation with Malik concerning Discussions of Japanese Peace Treaty

Following is report of conversation with Malik concerning discussions of the Japanese Peace Treaty, as reported to you by telephone last evening.

In accordance with your request, I approached Malik following the Security Council meeting March 9. I said that I regretted the apparent misunderstanding between us regarding his reaction to your invitation, relayed through me to Malik on February 27. Malik replied somewhat stiffly, "I told you that Mr. Dulles and I had taken different paths." I said that I recalled this but did not interpret it as a refusal to meet with you to receive your impressions of your trip to the Far East. Malik made no comment.

I went on to say that we did not want to leave the matter simply on the basis of an exchange of statements to the press, and that I should like to be in a position to report to you definitely whether or not Malik would be interested in meeting with you to discuss the matter further. Malik replied, "No, I do not think that would be appropriate." We shook hands and parted.

Unlike his demeanor on February 27, when he was jovial and smiling, Malik impressed me as being unusually stiff during our brief

chat yesterday. Tsarapkin,¹ who joined us as soon as I started to talk to Malik, refrained from comment.

¹ Semyon K. Tsarapkin, an Adviser to the Soviet Delegation to the United Nations.

694.001/3-1251 : Telegram

The Acting Secretary of State to the Acting United States Political Adviser to SCAP (Bond)

SECRET

WASHINGTON, March 12, 1951—6 p. m.

Topad 1333. For Bond from Dulles. Further consideration certain provisions Provisional Memo initialed by Allison and Iguchi Feb 8¹ has resulted in alteration those provisions in draft treaty now being circulated for Dept clearance. Pls see Iguchi and hand him memo along fol lines. Request reply soonest, including steps Jap Govt wld be prepared take under 5. Headings correspond with those in Provisional Memo.

1. *Preamble*: In view wide concern trade practices problem clause added Preamble under which Jap declares intention in public and private trade and commerce to conform to internationally accepted fair practices. Allies welcome this and other statements of intention in Preamble and promise will seek to facilitate their realization. Scope of para (a) in "Polit and Econ Clauses" also extended to include treaties and conventions for promotion fair trade practices.

2. *Terr*: Unless and until Sovs remove selves from treaty picture appears preferable draft assume their participation. Accordingly provides for return by Jap of South Sakhalin and all islands adjacent thereto to SU and handing over to Sovs of Kurile Islands as they may be defined by bilateral agreement or by judicial decision under treaty disputes procedure. Provision wld be operative only if Sovs sign and ratify treaty.

3. *Security*: Considered unnecessary include last six and half lines, beginning "and any forces", both in bilateral and in treaty so have deleted from treaty draft.

4. *Pol and econ clauses, para (c)*: In addition to provision for notification bilateral non-polit treaties, draft provides Jap will accept annulment, as a consequence of war, of its rights under prewar pol treaties to which Jap and one or more of Allies and Associated Powers were parties.

5. *Claims Arising out of the War*: In view complications compensation question we are disposed to minimize this aspect matter in the

¹ See Annex I to the letter of February 10 from Mr. Dulles to Secretary Acheson, p. 875.

treaty. Best solution appears to be for Jap voluntarily to enact compensation legis, which might fol lines Annex I of Provisional Memo. Treaty wld merely provide compensation wld be made in accordance with Jap domestic legis in yen subject to Jap fon exchange regs and in no event wld natls of Allied and Associated Powers receive less favorable treatment than that accorded to Jap natls. Separate cable explaining considerations behind this change in greater detail being sent Gen MacArthur.²

6. *Submarine Cables*: Fol discussion with Defense and FCC best solution this problem, which was not discussed with Jap, appears to be to divide cables equally between Jap and Allied Powers to whose terrs Jap cables run. Fifty-fifty ownership and operation of submarine cables has proved successful where employed (e.g. Ital cable from Italy to Azores to U.S.) and is believed preferable to dividing ownership at outer limit territorial waters Allied Powers as in Ital Treaty. Draft accordingly provides that Jap submarine cables connecting Jap with terr removed from Jap control pursuant to treaty shall be equally divided, Jap retaining Jap terminal and adjoining half cable and detached terr remainder of cable and connecting terminal facilities. [Dulles.]

WEBB

² In telegram 1331 to Tokyo, March 12, marked "For MacArthur from Dulles," the Department stated in part: "We wld eliminate any treaty commitments and treaty machinery to deal with these claims, leaving matter to Japanese domestic legis subject only to treaty requirement that compensation shall be on basis not less favorable than to Japanese nationals. Probably the Japanese as a matter of good business relations wld want to embody into domestic legis something along the line we discussed Tokyo permitting installment payments in blocked yen to enable foreign concerns to reestab their Japanese businesses and which provisions Japanese found entirely acceptable and which Dodge felt wld not cause any internal budgetary problem. However, we believe shifting of internal compensation problem to domestic legis and taking it out of peace treaty will make it easier to eliminate external reparation payments. We do not know whether Brit will accept our new formula, but think it worth while to try it." (694.001/3-1251)

Lot 54D423

*The British Embassy to the Department of State*¹

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom have found the informal conversations on the Japanese Peace Treaty, which have been proceeding between their representatives and Mr. John Foster Dulles since last September, of great value. They consider, however, that now that this fnll but informal exchange of views has taken place they should inform the Government of the United States offi-

¹ A handwritten marginal note reads: "March 12th 1951 Handed J[ohn] F[oster] D[ulles] by HMG Chargé d'Affaires."

cially of their present attitude toward the various aspects of the Japanese Peace Treaty.

2. His Majesty's Government consider that the major object which a peace treaty with Japan should seek to achieve is the establishment of a peace-loving Japan with a settled government and a viable economy.

3. His Majesty's Government infer that while it has as yet taken no final decision, the Government of the United States wishes, in so far as this is possible, to negotiate the Japanese Peace Treaty as a multilateral instrument through the diplomatic channel with those states which are willing to negotiate as principal parties on a basis to be agreed. In this connexion His Majesty's Government wish to enquire whether the United States Government are in a position to say whether they intend, in due course, to summon a peace conference which all the 49 states at war with Japan will be invited to attend. Further, it would be of great assistance to know whether in the view of the United States Government such a conference should be charged with the drafting of the final peace treaty or whether it should be called to discuss a draft treaty already prepared by the principal parties who, when the conference had concluded its deliberations, would then draft and sign the final treaty.

4. With regard to the substantive clauses of the Peace Treaty, the views of His Majesty's Government are set out in the paragraphs which follow. His Majesty's Government wish however to reserve their right to raise at a later stage the question of the disposal of German assets in Japan and certain points of detail connected with the economic financial and property clauses of the Treaty.

Territory.

5. In accordance with the Potsdam Proclamation of the 26th July, 1945, paragraph 8, His Majesty's Government consider that the sovereignty of Japan should be confined to the four main Japanese islands and to a number of adjacent minor islands to be defined in the Peace Treaty. In addition to a general renunciation by Japan of all claims to and rights in all the territories of which she is to be deprived, the following should be recorded in the Treaty :

- (i) Japan should recognise the independence of Korea.
- (ii) The Ryukyu and Bonin Islands should be placed under a United States trusteeship.
- (iii) As provided in the Livadia Agreement signed on the 11th February, 1945,² South Sakhalin and the Kurile Islands should be ceded by Japan to the U.S.S.R.

² For text of the Agreement Regarding Japan signed (in the Livadia Palace) at Yalta by the heads of government of the United Kingdom, the United States, and the Soviet Union, see Department of State Executive Agreement Series (EAS) No. 498, or 59 Stat. (pt. 2) 1823.

- (iv) Japan should renounce all special rights and interests in China.
- (v) Japan should renounce all political and territorial claims past, present and future in the Antarctic Continent.
- (vi) Japan should specifically renounce all her rights and claims in respect of her pre-war mandated territories.

6. *Disposal of Formosa.* His Majesty's Government's views on the wording of a clause on Formosa will be the subject of a subsequent communication at an early date.

Political Provisions.

7. (i) The Japanese Government should undertake to prevent the resurgence of undesirable political societies in Japanese territory after the Peace Treaty has come into force. These would require suitable definition in the Treaty.

(ii) In the preamble to the Treaty a reference to the responsibility of the Japanese militarist régime for having provoked a state of war in terms similar to those used in the Italian Peace Treaty should be included.

(iii) An obligation should be laid upon the Japanese Government to ensure that, subject to normal remissions for good conduct, war criminals in Japan sentenced to terms of imprisonment before the Peace Treaty takes effect should serve the sentences imposed upon them by duly constituted War Crimes Courts.

(iv) It is undesirable that the Japanese Government should be required by the Peace Treaty to maintain (indefinitely or for a period of years) legislation enacted by the Japanese Diet in a democratic manner since the beginning of the occupation. Special ordinances promulgated by the Japanese Government in compliance with the orders of the Supreme Commander for the Allied Powers should be examined to see whether note should be taken of them in the Peace Treaty.

(v) It would be undesirable for the Peace Treaty to require Japan to apply for membership of the United Nations or to bind any of the Allied or Associated Powers signatory to the Treaty to support her application if it were made. However, His Majesty's Government at the present time see no reason on general grounds to oppose an application by Japan for membership of the United Nations once she regains her freedom.

(vi) Japan should be required in the Peace Treaty to renounce her rights under the Congo Basin Treaties,³ under Article 16 of the Treaty of Lausanne signed on the 24th July 1923,⁴ and under the Straits Agreement of Montreux signed on the 20th July 1936.⁵

³ For the Convention signed at St.-Germain-en-Laye September 10, 1919, see Department of State Treaty Series (TS) No. 877, or 49 Stat. (pt. 2) 3027.

⁴ For text, see League of Nations Treaty Series, vol. xxviii, p. 115.

⁵ Text printed *ibid.*, vol. clxxiii, p. 213.

(vii) Japan should also be required to withdraw from the Bank for International Settlements within six months from the date when the Peace Treaty takes effect.

(viii) Japan should renounce all special rights of the Japanese state in respect of the mandate system.

(ix) Japan should be required to undertake to accept arrangements which may be made or have been made for the liquidation of any international body of which she was at any time a member.

(x) Japan should undertake to recognise the full force and effect of the treaties of peace and related arrangements already signed and to be signed, between the Allied and Associated Powers and Italy, Bulgaria, Roumania, Hungary, Finland, Thailand, Germany and Austria.

Security.

8. His Majesty's Government consider that Japan should be permitted a reasonable scale of rearmament to carry out her obligations for internal security and defence.

Reparations.

9. No further reparations should be exacted from Japanese industrial assets. It is considered however that the stocks of Japanese (monetary) gold under the control of the Supreme Commander of the Allied Powers in Japan should be made available as reparations. His Majesty's Government wish to take this opportunity of stating their view that in no circumstances should these stocks of gold be returned to Japan since they consider that the Allied and Associated Governments should not be asked to sacrifice the small and wholly inadequate amount of reparations which they might receive in this manner in order to give to Japan an appreciably better start as a free country than the victims of her aggression in the second world war.

10. With certain exceptions Japan's overseas assets (both official and private) should not be returned to Japan or to their Japanese owners. Japanese assets in the territories of the Allied and Associated Powers should be at the disposal of the Governments of those countries.

11. Japanese assets in neutral and ex-enemy countries and in Germany and Austria which in most cases are under the joint control of the representatives in those countries of China, the U.S.S.R., the United States, and the United Kingdom on behalf of the States members of the Far Eastern Commission should not be returned to Japan or to Japanese nationals.

*General Economic Clauses.**Goods*

12. In the Foreign Office Note of 22nd February⁶ the United States Ambassador in London has already been informed of His Majesty's Government's decision that they must retain their freedom to protect British industries against Japanese competition should the necessity arise. Should it be proposed however that the Peace Treaty should include a provision (on the lines of Article 82 of the Italian Peace Treaty) under which Japan would grant national and most favoured nation treatment in respect of goods to countries which in fact granted similar treatment in like matters to Japan, His Majesty's Government would be prepared to accept it. His Majesty's Government's acceptance would, however, be upon condition that the provision should be so drafted that each territory which is a separate entity for customs purposes is regarded as a separate country, so that the United Kingdom or any other territory would not lose the benefit of the provision because (say) Jamaica did not give national and most favoured nation treatment to Japan, and vice versa.

Establishment. (Treatment of foreign nationals and companies.)

13. Pending the conclusion of Establishment treaties between Governments of signatory States and Japan, foreign nationals and companies in Japan should in all respects receive national and most favoured nation treatment, subject if necessary to reciprocity. Any undertaking that national and most favored nation treatment by Japan would be subject to reciprocity should however be so drafted that each territory (such as a colony or protected state) should count as a separate country and companies incorporated in that territory or individuals belonging to it are regarded as if they were nationals of a separate country.

Shipping and Civil Aviation.

14. It is considered that Japan's inflated ship building capacity in excess of an agreed tonnage should be destroyed. Japan's present ship building capacity is in excess of her normal peace time needs as it was built up for the purpose of constructing and servicing an inflated war-time fleet. The shearing away of her surplus capacity is therefore justifiable on economic grounds.

15. Japan, pending the negotiation of suitable agreements, should grant in the Peace Treaty national and most favoured nation treatment to the shipping of signatory States subject, if necessary, to

⁶ Presumably that summarized in telegram 4619 from London, February 26, p. 896.

reciprocity. Any undertaking that national and most favoured nation treatment by Japan would be subject to reciprocity should be on the same footing with respect to the United Kingdom and its colonial and overseas dependent territories as is set out in paragraph 12 above.

16. Pending the conclusion of civil air transport agreements with other signatory States Japan should grant to the international air lines of such States the same or not less favourable air traffic rights and privileges as they enjoyed immediately before the Peace Treaty came into effect. Once Japan herself begins to operate international airlines she should, if no agreements have by then been signed, grant national and most favoured nation treatment to the international air lines of signatory States subject if necessary to reciprocity. Any undertaking that national and most favoured nation treatment by Japan would be subject to reciprocity should be on the same footing with respect to the United Kingdom and its overseas colonial and dependent territories as is set out in paragraph 12 above.

Bilateral Treaties.

17. The Treaty should provide on the lines of Article 44 of the Italian Peace Treaty for the revival of non-political prewar bilateral treaties between Japan and the Allied and Associated Powers, on the initiative only of the Allied or Associated State concerned.

Far Eastern Fisheries Convention.

18. Japan should undertake in the Peace Treaty to enter into international discussions if called upon by any of the signatory States for the conclusion of a Fisheries Convention to regulate fishing and fishing grounds in Far Eastern waters. Pending the conclusion of such discussions Japan should undertake voluntarily to prohibit fishing by her nationals or Japanese registered ships in conserved fishing areas and the territorial waters of any of the signatory States.

Human Rights.

19. His Majesty's Government are doubtful of the value of inserting in the Japanese Peace Treaty a Human Rights clause on the lines of Article 15 in the Italian Peace Treaty. As an alternative it is suggested that a suitable reference might be made in the preamble to the Peace Treaty to the desire of the signatories that Japan will of her own free will accept the principles of the Universal Declaration of Human Rights.

International Treaties and Conventions.

20. Japan should undertake in the Peace Treaty to resume carrying out her obligations under

- (a) The International Narcotics Conventions of 1912,⁷ 1925,⁸ and 1931⁹ and to accede to
- (b) the 1946 Protocol amending the 1931 Narcotics Conventions¹⁰ and
- (c) the Protocol on the Traffic in Synthetic Drugs signed in 1948.¹¹ Japan should also accede to
- (d) the International Whaling Convention and Protocol 1946,¹²
- (e) the Geneva Convention on Prisoners of War, 1948,¹³ and
- (f) any others which further study may show to be necessary.

Claims and Debts.

21. The property of nationals of the Allied and Associated Powers in Japan should be restored or, if not restorable intact, full compensation on the basis of present replacement costs should be paid. Japan should likewise undertake to make good damage to property caused since the end of hostilities by the Occupation forces in Japan.

22. The Treaty should contain suitable provision for the preservation and settlement of claims arising from pre-war indebtedness on the part of the Japanese Government or Japanese nationals towards the Governments or nationals of the Allied and Associated Powers.

Renunciation of Claims by Japan.

23. Japan should be required in the Treaty to waive all claims of any description against the Allied and Associated powers on behalf of the Japanese Government or Japanese nationals, arising directly out of the war in the Far East or out of actions taken because of the existence of a state of war in Europe after the 1st September 1939, whether or not the Allied and Associated power was at that time at war with Japan. This provision should bar completely and finally all categories of claims enumerated in it which should be declared extinguished whoever might have been the parties in interest. This clause would also specifically be directed toward protecting the orders of prize courts, and such institutions as banks, forwarding agents and custodians of enemy property.

⁷ For text of the Convention and Final Protocols, signed at The Hague January 23, 1912, and July 9, 1913, respectively, see TS No. 612 or 38 Stat. (pt. 2) 1912.

⁸ For text of the Convention signed at Geneva February 11, 1925, see *League of Nations Treaty Series*, vol. LI, p. 337.

⁹ For text of the Convention concluded at Geneva July 13, 1931, see TS No. 863 or 48 Stat. (pt. 2) 1543.

¹⁰ Signed at Lake Success December 11; text is printed as TIAS No. 1671 and in 62 Stat. (pt. 2) 1796.

¹¹ Done at Paris November 19; for text, see TIAS No. 2308 or *United States Treaties and Other International Agreements* (UST), vol. 2 (pt. 2), p. 1629.

¹² Signed at Washington December 2, 1946; for text, see TIAS No. 1849, or 62 Stat. (pt. 2) 1716.

¹³ Apparent reference to the Geneva Convention of 1949, signed August 12; text is printed as TIAS No. 3365 and in 6 UST (pt. 3) 3516.

Industrial, Literary and Artistic Property; Contracts (including Contracts of Insurance and Re-Insurance) Prescription and Negotiable Instruments.

24. There should be suitable separate provision in respect of all these matters in an annex to the Peace Treaty.

Disputes.

25. (a) Claims disputes arising out of the provisions of the Peace Treaty should be settled by a special neutral tribunal to be set up with an appropriate membership.

(b) Other disputes arising out of the Treaty should be referred either to diplomatic settlement or to the International Court of Justice.

War Graves.

26. It may be desirable to include in the Peace Treaty a clause on the lines of Articles 225 and 226 of the Treaty of Versailles in respect of war graves in Japan.

[WASHINGTON, undated.]

Lot 54D423

*The British Embassy to the Department of State*¹

AIDE-MÉMOIRE

POST-TREATY SECURITY AND REARMAMENT OF JAPAN

His Majesty's Government in the United Kingdom are of the opinion that the Peace Treaty with Japan should contain no provisions prohibiting Japanese rearmament or limiting the size or nature of any armed forces which she may eventually raise. They consider, and they believe the Government of the United States to hold the same view, that a restrictive Peace Treaty with Japan is undesirable on general political grounds, particularly because the enforcement of any military restrictions which it might contain would present great, if not insurmountable, difficulties. H.M.G. consider it most important however that some safeguards should be provided outside the Treaty to ensure that Japan does not once more become an aggressor. This question has been examined by the U.K. Chiefs of Staff, a statement of whose views is attached at Annex. These views have been approved by H.M.G., who will be glad to learn in due course whether they are shared by the Government of the United States.

¹ Handed to Mr. Dulles by the United Kingdom Chargé d'Affaires on March 12 along with the *aide-mémoire*, p. 909.

[Annex]

TOP SECRET

VIEWS OF THE CHIEFS OF STAFF ON THE REARMAMENT OF JAPAN

General

1. An approach to the problem of Japanese rearmament must be based on the following factors:—

(a) Within the next few years

(i) Japan has not the military means or economic resources to become by herself an aggressor.

(ii) Military arrangements are necessary for internal security and against external threats.

(iii) Military arrangements must be sponsored and economic help must be provided by the Allies to prevent Japan from falling a prey to Communism.

(b) Long Term

(i) Permanent restrictions on rearmament can only be imposed by permanent occupation: this is politically impracticable and militarily unacceptable. Therefore Japan must become an independent sovereign Power.

(ii) The continued alignment of Japan with the West can only be achieved on a voluntary basis, which would mean the establishment of an identity of interest politically, economically and militarily.

Threats to Allied Security.

2. Communist Threat.—The main threats to Allied security in the Far East in the period for which it is possible to plan are from Communism:—

(a) In Peace.—Japan is a major East Asian objective of Russian imperialism. The most effective medium which Russia can use to achieve her aim is that of international Communism, the formidable exponent of which in the Far East is Communist China. There is already a Communist Party of some strength in Japan; an Allied withdrawal would greatly facilitate Communist infiltration into Japanese life.

(b) In War.—In the event of War, it has been estimated that there will be an external threat to Japan from Russia, regardless of any assistance to the latter from Communist China.

We consider that if Japan is to be kept in the Allied camp her internal security must be assured both in peace and war and she must be protected from the external threat in war; there must be no “power vacuum” in Japan after the signing of a Japanese Peace Treaty.

3. Japanese Threat.—Japan is a highly-populated country with considerable industrial resources and capability. In the long term her desire to establish her industrial prominence and her necessity to

expand either territorially or economically must be appreciated. This economic fact will inevitably provide a motive for Japanese military aggression which cannot be disregarded in considering our general policy towards Japan in the post-peace period.

4. In the short term, Japan is not capable of military aggression. Japan has not the indigenous resources necessary to support her own economy, let alone to back an aggressive policy. Her military successes in 1942 depended on the exploitation of raw materials of the Asiatic Mainland and to the considerable stockpiling that she had achieved. She is, in fact, dependent on the Asiatic Mainland and other countries for the supply of the vast majority of her raw materials. Thus, Japan in isolation does not represent a military threat. Should she become a party to any combination of Powers in the Far East, such as is now represented by the Communist bloc, she might develop sufficient strength to threaten Allied territories throughout the Pacific and Far East.

5. In the long term, she will only be capable of conducting an aggressive war if she possesses major naval forces and has secured the necessary economic resources.

Allied Strategy.

6. In Peace.—Allied strategy in peace in the Far East, as elsewhere, is to oppose the spread of Communism and in particular to deny the resources of Japan to Communism.

7. In War.—The North Pacific is an American zone of responsibility. Allied strategy in war is to secure Japan and the Ryukyus; to use Okinawa as a base for the strategic air offensive; to maintain sea and air lines of communication; to deny the China Seas to the enemy; to adopt a defensive land strategy with minimum forces so as to deploy maximum forces elsewhere.

8. The requirements of Allied strategy will to a certain extent be met by the United States trusteeship of the Ryukyus and Bonin Islands, but forces will be required in Japan for internal security and defence against external threat. Taking into account all the other commitments of the Allies, it is evident that they cannot provide these forces unaided. For this reason and because, as an independent nation, Japan must take an active part in her own defence, she should provide the necessary forces.

9. Type of Japanese Armed Forces.—In the light of the above we consider that Japan should provide conventional armed forces with the exception of major naval forces, strategic bombing forces and special weapons which would be provided by the Americans in accordance with Allied strategy and would not be required by Japan. Her forces, which should be of a size suitable to carry out her obligations for internal security and defence, would therefore consist of:—

- (a) Naval vessels up to frigates, excluding submarines;
- (b) Balanced land forces;
- (c) Balanced air forces, except strategic bombing forces.

Instrument for Effecting Japanese Rearmament.

10. The United States had proposed a few months ago a Peace Treaty restoring full Japanese sovereignty. In considering any Peace Treaty, however, account must be taken of the repercussions on the German situation.

11. We consider that there should be a Defence Pact separate from the Peace Treaty, since—

(i) It will thereby be possible to restrict the signatories to friendly Powers;

(ii) The Defence Pact can be voluntarily agreed to by Japan after her sovereignty has been restored by the Peace Treaty;

(iii) It is the only method we can see whereby some safeguards can be provided.

Restrictive Clauses and Controls.

12. In pursuance of the need for a liberal treaty it is undesirable, if not impossible, to impose or to suggest that Japan agree to detailed defence restrictions and a concomitant inspectorate. It will therefore not be practicable to include restrictive clauses in the Defence Pact.

We consider that Japan would agree both on military and economic grounds to certain forces and weapons as in paragraph 9 above being provided by the Allies. We consider, disregarding political and economic considerations that the possession and building of merchant fleets and civil air fleets cannot be denied to Japan on purely strategic grounds.

13. No firm military safeguard limiting Japan's capability for aggression in the future is practicable. The only means of achieving any restrictions are:—

(a) Japan's voluntary acceptance of the provision of certain forces and weapons by the Allies for her defence and the restrictive influence of the presence of these forces in Japan. This is in fact our only safeguard.

(b) To a limited extent by the exploitation of Japan's economic dependence on the Allies.

CONCLUSIONS

14. We conclude that:—

(a) Japan in isolation does not represent a military threat.

(b) The threat from Japan lies in the danger of her joining an unfriendly Asiatic or Communist bloc.

(c) Allied Forces should not be withdrawn from Japan until Japan is capable of undertaking her own defence.

15. Safeguards against Japanese Aggression.—No firm military safeguard limiting Japan's capability for aggression in the future is practicable. The only means of achieving any restrictions are:—

(a) Japan's voluntary acceptance of the provision of major naval forces, strategic bombing forces and special weapons by the Allies for her defence and the restrictive influence of those forces in Japan;

(b) To a limited extent by the exploitation of Japan's economic dependence on the Allies.

16. United States Proposals.—The proposals put forward by the United States as a basis for the Peace Treaty are satisfactory from the military point of view, on the assumption that the Treaty will be followed by a bilateral Defence Pact.

17. Type of Japanese Armed Forces.—Japan should be permitted forces of a size suitable to carry out her obligations for internal security and defence. They should consist of:—

(a) Naval vessels up to frigates, excluding submarines;

(b) Balanced land forces;

(c) Balanced air forces, except strategic bombing forces.²

[WASHINGTON, undated.]

² Under a covering letter of March 21 the Secretary sent copies of both *aide-mémoire* and annex to Secretary Marshall. Mr. Acheson in part requested "such comments of the Department of Defense as would assist me to reply to this inquiry from the Government of the United Kingdom." (Lot 54 D 423) An excerpt from the JCS comment on the annex, dated April 17, is quoted in a memorandum from Mr. Allison to Mr. Dulles, April 23, p. 212.

Lot 54D423

*The Department of State to the British Embassy*¹

SECRET

AIDE-MÉMOIRE

The United States Government appreciates receiving the detailed observations of the Government of the United Kingdom on the various aspects of the Japanese Peace Treaty as set forth in the *aide-mémoire* handed to Mr. John Foster Dulles by the British Chargé d'Affaires on March 12, 1951.² The United States Government has also studied with interest the views of the United Kingdom Chiefs of Staff handed to Mr. Dulles at the same time.³ The large measure of agreement between the views of the United States and the Government of the

¹ Apparently handed to a British representative on March 13. This paper was drafted by Mr. Allison and cleared by, among others, Messrs. Dulles and Rusk.

² *Ante*, p. 909.

³ *Supra*.

United Kingdom is a source of gratification. The preliminary comments of the United States Government on the British *aide-mémoire* are given below. It is the intention of the United States Government to make available to the Government of the United Kingdom in the near future a suggested draft of a Peace Treaty with Japan which will give a more precise indication of the views of the United States Government.

The United States agrees with the statement in the United Kingdom *aide-mémoire* concerning the major object of a peace treaty with Japan. However, the United States considers that an additional object must be to ensure, in so far as possible in a treaty, that Japan continues in friendly association with the free world and that the industrial potential and manpower of Japan should be denied to exploitation by those of aggressive and despotic tendencies. The United States agrees with the statement of the United Kingdom Chiefs of Staff that:

“The continued alignment of Japan with the West can only be achieved on a voluntary basis, which would mean the establishment of an identity of interest politically, economically and militarily.”

The understanding of the Government of the United Kingdom that the United States desires, in so far as possible, to negotiate the Japanese peace treaty as a multilateral instrument through the diplomatic channel is correct. The United States Government has not yet come to any final conclusions with regard to the procedure by which a treaty with Japan should be completed and does not wish at this time to advance any specific line of action. Any suggestions which the United Kingdom might wish to make on this point will be welcomed.

The United States Government notes that the Government of the United Kingdom wishes to reserve its right to raise at a later stage the question of the disposal of German assets in Japan and certain points of detail connected with the economic, financial and property clauses of the Treaty.

Territory

The United States Government agrees in general with the territorial clauses of the United Kingdom *aide-mémoire* and in particular agrees that the following should be recorded in the Treaty:

- (i) “Japan should recognise the independence of Korea.
- (ii) “The Ryukyu and Bonin Islands should be placed under a United States trusteeship.
- (iii) “Japan should renounce all special rights and interests in China.
- (iv) “Japan should specifically renounce all her rights and claims in respect of her pre-war mandated territories.”

With respect to the carrying out of the Yalta Agreement the United States agrees that Japan should be prepared to cede South Sakhalin and the Kuriles to the Union of Soviet Socialist Republics, provided it becomes a party to the peace treaty, but believes that the precise definition of the extent of the Kurile Islands should be a matter for bilateral agreement between the Japanese and Soviet Governments or for judicial determination by the International Court of Justice. While the United States agrees that Japan should renounce all its present claims to the Antarctic Continent it appears invidious and not in keeping with the overall philosophy of the Treaty to require Japan to forswear any future claims to a vast territory much of which has not yet been explored.

The United States notes that His Majesty's Government will shortly communicate its views with regard to a clause on Formosa.

Political Provisions

With respect to the Political Provisions of the Treaty the United States Government is of the opinion that sub-paragraphs (i) and (ii) of Paragraph 7 of the United Kingdom *aide-mémoire* are inconsistent with the agreed objectives of the Treaty as stated above and in particular with the statement that Japan's continued alignment with the West "can only be achieved on a voluntary basis." In addition the United States does not perceive how "undesirable political societies" could be defined with sufficient precision to enable such an undertaking to be practicably enforceable. Indeed, the attempt to arrive at a definition would doubtless disclose considerable difference of opinion among the Allied Powers. The Government and people of the United States have learned by experience the futility and in fact the danger of bringing into being vague and unenforceable treaty provisions.

With respect to a "war guilt" clause the United States doubts that it would accomplish any positive good, and if the Versailles analogy has relevance, it might do harm. The United States is particularly reluctant now to press for such a clause more than five years after the surrender, and in view of the splendid cooperation given by all the people of Japan in lending assistance to the United Nations action in Korea as called for by the Resolution of January 30, 1951, adopted at the 438th meeting of the First Committee of the General Assembly of the United Nations.

With reference to the position enunciated by the United Kingdom regarding the serving of war crimes sentences, the United States believes that the Japanese Government should not be able to reduce or alter the sentences of war criminals unless by agreement with the nation or nations imposing the sentence.

In general the United States agrees with the provisions of sub-paragraphs (iv) to (ix) of Paragraph 7 of the United Kingdom

aide-mémoire although in some cases it is not convinced of the necessity of spelling them out in detail.

The United States does not understand the necessity for requiring Japan to recognize in the Treaty the full force and effect of the treaties made or to be made with Italy, Bulgaria, Roumania, Hungary, Finland, Thailand, Germany and Austria, as these treaties are effective in their own right. So little of practical significance to the Allies depends on Japan's recognition of these treaties that it does not appear worthwhile to include this requirement.

Security

The United States agrees with the Government of the United Kingdom that the Peace Treaty with Japan should contain no provisions prohibiting Japanese rearmament or limiting the size or nature of any armed forces which she may eventually raise. The United States is of the opinion that any safeguards which may be considered desirable can best be secured by voluntary agreement with Japan in the overall context of a security arrangement for Japan or all or parts of the Pacific area. The Treaty of Peace would recognize Japan's inherent right of individual or collective self-defense as envisioned in the United Nations Charter and that Japan could voluntarily enter into a security arrangement or arrangements with one or more of the Allied Powers. As an interim measure the United States contemplates concluding a provisional bilateral security agreement with Japan providing for the retention after a peace treaty of United States armed forces in and about Japan until such time as there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area. We believe that this provisional agreement or other eventual agreements will most effectively assure that any Japanese rearmament would be a matter of agreement and purely defensive in character.

Reparations

The United States agrees that there should be no further reparations exacted from Japan from its industrial assets. However, the United States cannot agree that the stocks of Japanese monetary gold should be made available as reparations. The Allied Powers have never been able to agree on a division of reparations shares with respect to industrial assets and the United States sees no reason to believe it would be possible to reach agreement on the division of the monetary gold in Japan. Furthermore the United States Government has consistently maintained that should it be possible for Japan to pay anything on reparations account, the United States has a priority claim as a result

of the approximately \$2 billion advanced for occupation costs. The United Kingdom has agreed with France and the United States that comparable advances to Germany have a prior status over other claims. In view of the fact that Japan has been deprived of all her overseas territories, has suffered for almost five years the virtual elimination of her merchant marine and has seen her textile industry plant reduced to approximately one-third of its pre-war status, to say nothing of other losses and post-war debts, the United States Government finds no occasion for worry over Japan's advantageous economic position. Even if Japan retains the \$200 million of gold as a currency reserve there is cause for concern whether Japan will be able to maintain a viable economy. The United States Government therefore does not agree to making the stocks of monetary gold available for reparations.

The United States agrees that, with certain minor exceptions, Japan's assets in the territories of the Allied Powers should be at the disposal of the Governments of those countries.

With respect to Japanese assets in ex-enemy countries the United States wishes to reserve its position on the question for the time being. As regards Japanese assets in neutral countries, the United States is inclined to make no effort to recover them for the Allies in the Treaty. The total amount is relatively small, approximately \$20 million, and the United States Government questions whether the net amount which might be made available to the Allies would be appreciable or worth the effort which experience with German assets has shown would be necessary to reduce them to possession. Again the problem of shares arises as well as the priority of United States claims for occupation costs.

General Economic Clauses

The United States Government agrees that pending the conclusion of treaties regulating trade and commerce with the Allies, Japan should grant foreign nationals and companies in Japan national and most-favored-nation treatment. The United States believes this should be on a reciprocal basis and subject to the normal exceptions. With respect to the desire of the United Kingdom Government that such a provision in the Treaty should be so drafted that each territory (such as colony or protected state) would be treated as a separate country, the United States Government would appreciate receiving definite suggestions from the United Kingdom Government as to how this might be accomplished.

Shipping and Civil Aviation

The United States Government cannot agree that Japan's so-called "surplus" shipbuilding capacity should be sheared away and that this is justifiable on economic grounds, or that if it can be so justified,

it is sufficient reason to take the suggested step. As a practical matter, a required physical dismantling would inflame the very qualities in Japan that are dangerous. From a security or strategic point of view, both the United States and the United Kingdom Chiefs of Staff have held that there is no reason to deny a merchant fleet to Japan. As a result of the destruction of Japan's merchant fleet during the war Japan has today less than 1 million tons of ocean-going shipping as compared with between 3 and 4 million tons pre-war. At a time when there is a world-wide shortage of shipping and when the prospects are that this shortage may be increased the United States would think it unwise to impose treaty limits on either Japanese shipping or shipbuilding capacity. As a practical matter the fact that Japan must import much of the raw materials for her shipbuilding industry from Western countries and that such materials are, and for some time will continue to be, in short supply operates as a limiting factor on the expansion of Japan's shipbuilding capacity. It may be that for some time to come there will be excess shipbuilding capacity in Japan for the above reason and an investigation might show that much of this excess capacity could be put to more profitable uses. Should this prove to be so the United States Government believes the Japanese Government might voluntarily agree to the transfer of such excess shipbuilding capacity to other fields.

The United States Government agrees with the stand taken by the United Kingdom Government in Paragraphs 15 and 16 of its *aide-mémoire* on most-favored-nation or national treatment for shipping and civil aviation, and with respect to the latter, that pending the conclusion of civil air transport agreements Japan should grant to the international air lines of signatory states the same or not less favorable air traffic rights and privileges as they enjoyed immediately before the Peace Treaty came into effect.

Bilateral Treaties; Far Eastern Fisheries Convention; Human Rights; International Treaties and Conventions

The United States Government agrees in general with the position of the United Kingdom Government on the revival of pre-war bilateral non-political treaties, the conclusion of a Far Eastern Fisheries Convention, a Human Rights Clause, and the resumption by Japan of her obligations in certain pre-war treaties and conventions, as set forth respectively in Paragraphs 17, 18, 19 and 20 of the United Kingdom *aide-mémoire*.

Claims and Debts; Industrial, Literary and Artistic Property; Contracts, Prescription and Negotiable Instruments

The United States Government is considering what would be the most appropriate action to take on the matters treated in Paragraphs 21, 22, 23, and 24 and will communicate further with the United

Kingdom Government on these points. In the meantime the views set forth by the United Kingdom Government will be given the most careful consideration.

Disputes

This subject will also be a matter for subsequent consideration although in general the United States Government concurs in the position taken by the United Kingdom Government that disputes, other than claims disputes, arising out of the Treaty should be referred either to diplomatic settlement or to the International Court of Justice.

War Graves

The United States will give consideration to the desirability, as suggested by the United Kingdom, of including a clause in respect of war graves in Japan.

The United States Government will communicate further with the United Kingdom Government concerning the views of the United Kingdom Chiefs of Staff on Post-Treaty security and the rearming of Japan. However, it can be said now that the United States Government has found the views of the United Kingdom Chiefs of Staff most helpful and is pleased to note how closely they coincide with the views of the United States.

WASHINGTON, [March 13, 1951.]

694.001/3-1551 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, March 15, 1951—6 p. m.

2785. For Dulles from Cowen.

[Here follows part of the first paragraph of this telegram (printed on page 179).]

In passing I would add that Philippines' neurotic anxiety re security is rooted so deeply that assurances and pacts can mitigate but not eliminate it, and that Philippines wants not security in place reparations but security and reparations.

Portion plan A¹ which should please Philippines is treaty admission Japanese liability for reparations. Feeling as it does that Philippines should have priority in receiving reparations, this country of course would oppose US receiving reparations if Philippines does not. However, forbearance vis-à-vis Japan represented by US renuncia-

¹ See the Department's telegram 2048 to Manila, March 8, p. 904.

tion of Japanese reparations would not per se be pleasing to Philippines because of desire for revenge on one's enemies which runs so deep in Filipino character.

Plan B should have merit as compared plan A of containing actual promise reparations—in addition Japanese assets in Philippines and removals of machinery to Philippines under advance transfer program both of which, because the assets involved have already been received, now are regarded as beside the point. Prospect of a Japan left impoverished and embittered by heavy reparations is not displeasing to Philippines and argument that it would be dangerous to greatly weaken Japan carries little weight here because of counter-argument that a strong Japan proved dangerous in past and may again. Official and non-official Filipinos visting Japan see bustling and apparently prospering country and on return are quoted in press asserting Japan can pay: Bernabe Africa ex-chief Philippine mission Tokyo had been quoted in local press as saying Japan can pay \$8 billions and March 14 press carries story that his successor Jose P. Melencio has sent Philippine FonOff a report of same effect.

Passing from realm of publicly-expressed opinion and general sentiment, I wish to comment that we have long suspected Philippine Government, while it certainly would like to receive additional Japanese reparations, does not actually expect receive them and is keeping issue alive in hopes of using it as bargaining instrument for obtaining additional aid from US. This appears to be borne out by report obtained by OSI from House Foreign Affairs Committee chairman Macapagal thru channel which that US agency considers usually reliable. Macapagal is quoted as telling informant that Acting Secretary Foreign Affairs Neri has within past week or so sent President Quirino memo suggesting following policy re Japan :

(1) Philippines not to oppose limited US rearmament Japan. Such rearmament to be designed ensure internal security and defense against outside attack but not to be carried to point which would permit Japan again to menace other countries Far East. In line this thinking Philippines would not object establishment adequate army and limited air force but would oppose letting Japan have a navy.

(2) Philippines not to oppose such development of Japanese economy as is necessary to economic viability.

(3) Philippines should refuse to modify present Philippine stand in opposition to extension Japanese fishing grounds.

(4) Philippine Government should use its demand for reparations as bargaining lever to pry additional aid from US.

I should think main point is write a treaty likely to ensure that Japan, the chief center of military potential facing the Communist-controlled mainland in the Far East, will be on our side in time of

need—or at least will not be used against us. We should not lose sight of that main point in attempting (Deptel 2048 March 8) write a treaty which would please Philippines—a task which I think probably is impossible. Nevertheless, we should try to write a treaty which will be recognized as considerate of Philippine sensibilities and as making right kind of gesture. I suggest that treaty should contain acknowledgment of fact that Japanese attack and occupation inflicted grave injury to people and economy of Philippines which could never be fully remedied, but that Japan ought make such recompense as may be possible. Senator Tanada, who is one of most reasonable Philippine politicians we know, has told us he has no idea where 8 billion figure originated, that Philippines actually can hope to receive little, but that some Japanese gesture in direction gaining Philippine's good will seems in order. He recalled Boxer indemnity which US used to gain good will and to help educate a generation of Chinese students in our country, and wondered whether Japan could not afford finance something similar (I assume he meant for study in US—as few Filipinos would wish study in Japan). Knowing inordinate passion Filipinos have for schooling we think the idea deserves being explored; if project could not be financed by Japan either pursuant peace treaty or under separate agreement without opening way to reparations claims by our other allies, perhaps US could somehow finance it.

COWEN

Lot 54D423

Memorandum by the Deputy Director of the Office of Philippine and Southeast Asian Affairs (Melby) to the Deputy to the Consultant (Allison)

CONFIDENTIAL

[WASHINGTON,] March 16, 1951.

In a conversation a couple of days ago with General Romulo the question of Japanese reparations came up. He said he believed the United States could do anything it pleased in the Japanese peace treaty and it would be acceptable to the Philippines except on the question of reparations. Concerning this problem, he said he was quite prepared to accept the view, as he thought all Filipinos would also, that reparations could not be paid now. He said he thought the essential point would be for Japan to acknowledge publicly in the treaty its responsibility and liability for reparations and an undertaking to pay in the future, be that future one, two or three generations hence. The important point would be public acknowledgment of the principle. Although he did not say so in so many words, Romulo certainly implied that how much would actually be received, or even if nothing,

would really not be too important and could be a problem to worry about later on.

694.001/3-1651 : Telegram

The Acting United States Political Adviser to SCAP (Bond) to the Secretary of State

SECRET PRIORITY

TOKYO, March 16, 1951—6 p. m.

Topad 1675. Dulles from Bond. ReMistel 1665, Mar 14.¹ Have today recd from Iguchi for [fol?] comments of Jap Govt, approved by PriMin, on changes proposed numbered paras Deptel 1333, Mar 12:

1. Preamble: No objection.

2. Territory: (a) Proposed provision for return of South Sakhalin and handing over of Kuriles to SU under assumption it will participate in peace treaty is agreeable. However, it is desired to have the passage in question read: "As they may be defined by the powers concerned, including Jap".

(b) In case SU goes definitely out of picture, it is hoped such stipulation re South Sakhalin and Kuriles will be omitted.

3. Security: Agreed.

4. Polit and econ clauses: No objection.

5. Claims arising out of the war: There is no objection to leaving matter to Jap domestic legis. However,

(a) Deletion is desired of part of draft text ² reading, "in no event wld nationals of allied and associated powers receive less favorable treatment than that accorded to Jap nationals". Jap Govt is not contemplating payment of any compensation for war damage to Jap property within Jap territory. Compensations for other kinds of damages, if paid, wld be very small. It is feared that above-mentioned clause might raise vain hopes among Jap or force govt to pay out compensations it cannot afford.

(b) In case of dispute between the govt and a claimant, it might be more practical solution to have dispute settled once and for all by mixed comm instead of arbitration court mentioned in annex (1) and (2).³

6. Submarine cables: No objection.

Iguchi states careful study provisional memo of Feb 8 has just been completed by Jap Govt whose full comments thereon he expects to hand to me this weekend. Such comments will be forwarded upon receipt.

BOND

¹ Not printed. In it Mr. Bond reported delivering to Mr. Iguchi a memorandum along the lines set forth in the Department's telegram 1333 of March 12, p. 908.

² Reference is to the wording of numbered paragraph 5 of telegram 1333.

³ Reference is to the annexes to the provisional memorandum of February 8. See Annex I to Mr. Dulles' letter of February 10 to the Secretary, p. 875.

694.001/3-1751

*Memorandum by the Consultant to the Secretary (Dulles) to the
Director of the Bureau of German Affairs (Byroade)*

SECRET

[WASHINGTON,] March 17, 1951.

Subject: Japanese Peace Treaty

I thank you for your memorandum of March 16th.¹ I realize that due to different circumstances we are compelled to follow different procedures in relation to Japan and Germany and that these differences may possibly create difficulties for both of us. In the case of Germany, you are proceeding through a gradual relaxation of controls. In the case of Japan we are maintaining substantially all controls until the Peace Treaty is signed and when the Peace Treaty comes into effect they will then suddenly and totally disappear. The result is that up until the Peace Treaty becomes operative the Germans are getting freedoms greater than the Japanese, e.g., diplomatic representation. When the Japanese Peace Treaty comes into force, which will probably be nearly a year off, they may perhaps then have freedoms not yet granted to the Germans. I think we will have to accommodate ourselves to these differences as both of us are having enough difficulty without the almost insuperable added difficulty which would result if you could not do anything for the Germans unless we could do it at the same time for the Japanese, and vice versa.²

¹ Not printed. In it Mr. Byroade had outlined various difficulties which conclusion of a Japanese peace treaty might be expected to create in the U.S. relationship with Germany and with Western Europe as a whole. He had concluded: "While I am not recommending changes in the March 12 draft [not printed] of the Japanese Treaty, I want to point out that the differences between the approach to the problem of Japan and that to the problem of Germany will require careful treatment by the Department." (694.001/3-1651) A copy of the March 12 draft is in Lot 54 D 423.

² The source text, which is both the original and the Department's record copy, bears an unsigned, handwritten marginal note: "Mr. Byroade's notation on a copy of this memo 'This is fair enough B.'"

Editorial Note

In telegram Topad 1678 from Tokyo, March 17, Mr. Bond transmitted the text of a Japanese document titled "Japanese Government's Views and Requests on Initialed Documents", dated March 16. In this paper the Japanese Government presented its detailed suggestions for revision of the draft Provisional Memorandum, the draft Agreement between the United States and Japan for Collective Self-Defense, and the draft Administrative Agreement, all dated Febru-

ary 9. (See Annexes I, II, and IV, respectively, to the letter from Mr. Dulles to Secretary Acheson dated February 10, pages 875 and 876.) At the conclusion of its comments on the last-named document, the Japanese Government proposed that its Chapter IV should be limited to a stipulation to the effect that in the event hostilities occurred or were imminently threatening in the Japan area, the two governments would take appropriate measures for unified collective defense, for which concrete plans should be formulated by joint committee. (694.001/3-1751)

Lot 54 D 423

Mr. John Foster Dulles, the Consultant to the Secretary, to the Supreme Commander for Allied Powers (MacArthur)

PERSONAL CONFIDENTIAL

[WASHINGTON?,] March 18, 1951.

MY DEAR GENERAL MACARTHUR, I write this note at home, Sunday, with Janet¹ as my typist. Bill Sebald leaves tonight and will carry my salutations, plus the latest in news and documents. Developments are not all good. The U.K. attitude is worrying, particularly in relation to Australia, where the forthcoming general elections will make the Japanese Treaty a central issue. The U.K. Labor Government no doubt wants the rather anti-American Labor Government of Australia to come back to power, and will not want treaty or security arrangements to proceed favorably during the election period.

Allison flies to London tonight—to brief our Embassy—not negotiate. He returns Wednesday.

There are occasional signs of relapse in the Pentagon.

However, I am resolved to carry through, and am working with determination and without let-up. There is good will from the President, Acheson, Marshall, the Congressional Committees and the press and public generally.

The United States and Japan are the only significant sources of power in the Pacific, we actual, they potential. If we can work in accord, the lesser Pacific powers will get security and will sooner or later, formally or informally, endorse that accord. If the United States and Japan fall apart, the situation in the West Pacific is grave for a long time. There is, in this matter, the opportunity to serve well our own nation—and others. Your own position is central, dominating and indispensable. For that I am grateful.

With best wishes to you and your wife, in which Janet joins,

Faithfully yours,

[JOHN FOSTER DULLES]

¹ Mrs. John Foster Dulles.

Tokyo Post Files : 320.1 Peace Treaty

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[WASHINGTON,] March 19, 1951.

Subject: Meeting with Far East Sub-Committee of Senate Foreign Relations Committee regarding a Japanese Peace Treaty

Ambassador Dulles, accompanied by Mr. McFall,¹ Col. Babcock and Mr. Fearey, met with the Far East Sub-Committee on the morning of March 19 to go over with it the latest draft² of a Japanese peace treaty prior to the anticipated circulation of the draft to the 12 other Far Eastern Commission nations and Indonesia, Korea and Ceylon. The senators present—Senator Sparkman, Chairman of the Sub-Committee,³ and Senators Alexander Smith and Hickenlooper⁴—appeared to appreciate the opportunity afforded to go over the draft with Ambassador Dulles and to ask questions and offer suggestions regarding it.

Ambassador Dulles first handed the Senators copies of the United States–Japan bilateral security agreement⁵ drawn up by the Presidential Peace Mission and the Japanese Government. He explained that the draft was tentative and subject to change but that he wanted the Sub-Committee to have copies for its information. Mr. Dulles then went through the treaty article by article explaining the reasoning behind the various provisions. The principal points raised by the Senators and Mr. Dulles' replies thereto were as follows:

Formosa

Senator Smith noted that Article 3 left the disposition of Formosa undetermined. Ambassador Dulles said that provision for the disposition of Formosa by decision of the General Assembly if the Far Eastern Big Four failed to reach agreement had been made in the United States seven-point statement of principles but that this idea had since been abandoned. He recalled that the United States had secured the postponement of the question of Formosa during the General Assembly because there appeared to be a real possibility that the Assembly would recommend turning the island over to the Chinese Communists. This still seemed a likely possibility if the Assembly were given jurisdiction over the problem and it had accordingly been thought advisable to leave the status of Formosa undecided.

United Nations Jurisdiction

Senator Hickenlooper inquired whether the United Nations would have any jurisdiction over the treaty, and whether there was any way

¹ Jack K. McFall, Assistant Secretary of State for Congressional Relations.

² Presumably the draft of March 16, not printed.

³ John J. Sparkman of Alabama.

⁴ H. Alexander Smith of New Jersey and Bourke B. Hickenlooper of Iowa.

⁵ Draft of February 9. See Annex II to the letter of February 10 from Mr. Dulles to the Secretary, p. 875.

in which the United Nations or a member thereof could take us to task for anything we might include in the treaty. Ambassador Dulles referred to Article 107 of the Charter, and said that were the Assembly to consider that any provision of the treaty might tend to impair peace and security it would be empowered to discuss it, but that otherwise the United Nations would have no jurisdiction over the treaty. The United Nations would come in only if the treaty brought it in, as in the case of the former Italian colonies under the Italian Treaty.

Ryukyus

In response to questions regarding the Article on the Ryukyus Ambassador Dulles said that it was thought that the treaty should give the United States the right to apply for a trusteeship if it desired. What we should ultimately do with the Ryukyus, he suggested, should be made the subject of a special inquiry, probably including sending someone out there. The United States should not commit itself in the treaty but should simply obtain an option to seek a trusteeship if it desired. Senator Smith noted that the draft would permit the United States to retain control of the Ryukyus indefinitely if a trusteeship were not secured, and inquired whether this would not lay us open to charges of imperialism. Ambassador Dulles suggested that the provision be allowed to stand until the attitude of other countries could be ascertained. Senator Sparkman said that the least we could do would be to let Japan retain the Ryukyus, with the United States receiving the same military rights there that it will in Japan proper.

South Sakhalin and the Kuriles

Senator Smith inquired whether any concessions we might hope to get from the Soviets justified our giving them title to South Sakhalin and the Kuriles in the treaty. Ambassador Dulles pointed out that Article 19 would deny the USSR any benefits under this provision if it were not a party to the treaty.⁶ He said that the Defense Department wanted the Soviets to make peace with Japan and thereby terminate their belligerent rights. It had therefore been thought worthwhile to hang out a certain amount of bait, though it did not amount to much in view of the fact that the Soviets now occupy South Sakhalin and the Kuriles. The issue of exactly what constitutes the Kuriles was a further detracting factor. Senator Sparkman inquired exactly what the Soviets' belligerent rights would be if the USSR were not a party to the treaty. Ambassador Dulles replied that technically speaking the Soviets could not under existing agreements place forces in Japan except under the direction of a United States commander, which would of course be unacceptable to them. When Senator Sparkman asked whether this fact was likely to influence the Soviets Ambassador Dulles replied that it was only a technical barrier. The USSR could of course provoke a war at any time if it wished.

Bilateral Treaties

Senator Smith noted that the provision regarding prewar bilateral treaties with Japan did not specifically stipulate that the treaties

⁶ Article 19 in the draft of March 16 is identical to Article 19 in the draft of March 23, p. 944.

which the Allies indicated they wished to have remain in force should be kept in force by Japan. It also did not specifically provide that treaties not so notified by the Allies were to be regarded as abrogated. It was agreed that the provision should be amended to take account of these points.

Chinese Participation

Senator Hickenlooper asked how it was proposed to handle the question of Chinese participation. Mr. Dulles said that this was a big problem to which no final answer had been reached. In answer to a question by Senator Sparkman, Ambassador Dulles confirmed that the draft would be circulated only to the Chinese National Government and not to Peking.

War Crimes Sentences

At the Senators' suggestion it was agreed that the provision regarding the fulfillment of war crimes sentences should be revised to make it clear that the power to grant clemency should not be exercised except jointly by Japan and the Government or Governments (or in the case of the major criminals, a majority of the Governments) which imposed the sentence in each instance.

GARIOA Claim

Senator Smith inquired where in the draft the priority of our GARIOA claim was preserved. Ambassador Dulles replied that this was automatic with the renunciation of further reparations. Certain other governments would probably be unwilling to accept our position on this question, but it was to be noted that Britain and France had accepted the priority of relief and economic assistance claims against Germany. Ambassador Dulles said that he did not have the remotest idea whether we would ever collect the GARIOA claim but it served as a good buffer against any claims the Soviets might submit if they did not sign the treaty. He said that while the United States might not get away with the proposed treaty provisions on this point it seemed worthwhile to try.

Adherence

Ambassador Dulles raised the question of whether it might not be advisable to set a time limit after which states at war with Japan which had not signed the treaty would no longer be able to adhere to it. He pointed out that if there were no such limit a nation could defer its adherence almost indefinitely. He said that he was inclined to favor a limit which would put a certain amount of pressure on the various nations to sign the treaty without prolonged delay, even though they would still be able to conclude a treaty as favorable, but no more favorable, after the limit had expired. It was decided that the draft should be amended to limit the right of adherence to three years.

Inspection

Senator Hickenlooper raised the question of whether the treaty should not accord the Allies the right to inspect Japanese industrial activity if need arose after the treaty. If there were no such provision and word were received 10 or 15 years hence that the Japanese were producing, for example, large naval vessels the Allies would be unable to investigate the matter. Ambassador Dulles replied that the under-

lying theory of the treaty was to avoid imposing on Japan conditions not accepted by other sovereign nations. The effective way to ensure against secret activities of the type described was not to write prohibitions or inspection provisions into the treaty but to develop co-operative relations with Japan which would ensure that we would automatically know about any such ulterior moves. United States forces remaining in Japan in intimate contact with the Japanese would seem an adequate safeguard. Ambassador Dulles said that he was absolutely convinced that treaty restrictions would not work and that this conviction was basic to his whole approach to the treaty.

Senator Hickenlooper said that while it appeared to him that Ambassador Dulles was following the right line, this was the first time that he had seen the treaty draft and he wished it understood that his position in the matter was reserved. Ambassador Dulles said that this was fully understood and that his purpose had been simply to acquaint the Senators with the draft and to obtain their suggestions. He emphasized that the text was only suggestive and that he was not seeking approval of any sort at this stage.

694.001/3-1451 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP
(Sebald)*¹

SECRET

WASHINGTON, March 20, 1951—6 p. m.

1365. For Sebald from Dulles. Your 1665.² Thank PM and Iguchi for prompt response. Re territory we now plan omit any reference to definition of Kuriles leaving this automatically to World Court decision if there is disagreement. We would provide that SU gets no benefit unless it accepts treaty and if it is apparent in advance that SU is definitely out of picture we would be prepared to reconsider whether reference to Sakhalin and Kuriles should be totally eliminated from treaty.

Re compensation for damage to property of Allied nationals in Japan we accept omit reference to treatment accorded to Japanese nationals. We see no objection to settling disputes by mixed commission but in view UK interest this subject do not want to give any commitment pending our ascertaining whether proposed treatment this matter in principle acceptable to UK.

Re your 1675³ only insofar as relates to provisional memorandum we plan use "Allied Powers" throughout with appropriate definition to avoid confusion.

¹ Though Mr. Sebald had left Washington March 18, he did not arrive back in Tokyo until March 27.

² Apparently an error in reference. The first two paragraphs deal with the substance of telegram 1675 from Tokyo, March 16, p. 929.

³ Apparently an error in reference. The remaining paragraphs deal with the substance of telegram 1678 from Tokyo, March 17. See the editorial note, p. 930.

Re territory we do not understand that proposed treaty would give rights to property succession in Japan but matter would be dealt with according to international and municipal law bearing on particular cases.

Re political and economic clauses we think it is hopeless to get UK to agree to GATT formula.

Re Jap property within Allied territories consider Italian treaty formula would not serve any practical good as undoubtedly proposal would lead to demands that any excess would constitute reparations fund and we feel confident each Allied power will in fact consider it has claims at least equal to Japanese property.

Re effectuation of peace treaty we contemplate providing that for nine months after Japanese ratification treaty could be brought into force only by deposit ratifications of majority FEC Members including US, but that after nine months any ratifying allied power could bring treaty into force as regards it and Japan. Also plan suggest adherence right for three years.

Re bi-lateral treaty and administrative agreement these matters being studied also by Defense and comments must come later. [Dulles.]

ACHESON

694.001/3-2851

*Memorandum of Conversation, by the Second Secretary of the Embassy in the United Kingdom (Marvin)*¹

SECRET

[LONDON,] March 21, 1951.

Subject: Japanese Peace Treaty

Participants: John M. Allison, Deputy to Ambassador Dulles
 Arthur R. Ringwalt, First Secretary of Embassy
 David K. Marvin, Second Secretary of Embassy
 Robert H. Scott, Undersecretary, Foreign Office
 Charles Johnston, Head, Japan and Pacific Department, Foreign Office
 Peter Scott, Japan and Pacific Department, Foreign Office

Mr. Allison arrived in London on March 20th and met with Mr. Robert Scott and the others named above at the Foreign Office at noon March 21st to discuss the matter of a Japanese Peace Treaty.²

¹This memorandum forms the enclosure to despatch No. 4586 from London, March 28, not printed.

²In telegram 242 to Canberra, March 17, marked "From Dulles" and drafted by him, the Department stated: "Please inform [Mr. Percy] Spender, [Australian Minister for External Affairs and External Territories] Allison flying to London 19th returning 21st merely to acquaint AmEmbassy London with full facts regarding present status Japanese Peace Treaty and related subjects. We do not contemplate any London discussions with UK at this time." (694.001/3-1751)

Mr. Robert Scott opened the conversation, observing that the negotiations on the proposed treaty were progressing fairly satisfactorily. There appeared to him to be no great difficulty between the United Kingdom and the United States over substantive points, but some disagreement did exist regarding questions of procedure. The group then proceeded to discuss the various substantive points which seem to be at issue between the two countries.

With regard to the question of including a war guilt clause in the treaty, Mr. Scott pointed out that the Foreign Office was bound by a Cabinet ruling on the matter. The Foreign Office itself did not feel strongly on the question, but of course had to follow the Cabinet decision until it changed its position. Mr. Allison remarked that the question was not an urgent one. The Cabinet's position in favor of a war guilt clause could be reconsidered at the time the draft treaty proposed by the United States was examined by the United Kingdom Government. Mr. Scott agreed with this.

The question of ship-building capacity was discussed at some length. Mr. Allison reviewed the American position, pointing out that a punitive policy of destruction of such facilities would give rise to resentment of the treaty by the Japanese, and that from the practical point of view destruction of this capacity was not especially necessary. It might be needed later because of the worldwide shipping shortage, and meanwhile, the raw materials shortage would limit its use. It had been suggested that an objective study be made of other uses to which excess capacity might be put. We were willing to make such a study but had no ideas as to other uses which might be made of it. We thought that the Japanese might readily agree to the idea. Mr. Allison noted that both governments agreed that from the security point of view destruction was not necessary.

Mr. Robert Scott said the Japanese shipbuilding question had domestic political significance for the United Kingdom, as well as long-range security aspects. The present capacity had been built for war purposes, and after some years might again be so used. The innate characteristics of the Japanese had not changed since the war, and a restrictive clause of this nature in the treaty might be valuable in preventing a future buildup of naval power, which to Japan had been more essential than army or air force as an instrument of aggression. However, Mr. Scott said he agreed basically with the point of view expressed by Mr. Allison, that treaty restrictions might harm our interests by giving an opening for Japanese demagogues. Mr. Allison and Mr. Scott agreed that for the moment the two governments must agree to disagree on this question.

On the matter of Japanese assets in neutral and ex-enemy countries, Mr. Peter Scott remarked that, although the amount was negligible,

as Mr. Allison said, the question was hot politically, especially as regards the money remitted through the Swiss to prisoners of war in Japan, and never received. Mr. Allison suggested that some sort of arrangement could be made on the side to get such funds back, but Mr. Peter Scott pointed out that in many places, such as Sweden and Switzerland, assets were under four power control, which meant that Soviet agreement must be obtained. Mr. Robert Scott suggested that the Japanese might renounce such assets in the treaty, which would leave their disposition to later action by the United Kingdom and the United States in such places as they had sole control. This would of course not solve the problem where the Chinese or the Soviet Union were involved. Mr. Allison thought there was a possibility that the United States might be able to accept this suggestion.

Mr. Peter Scott said, with regard to Western Germany, that the not very large amount of Japanese assets there could be touched immediately if some method of disposition were decided upon.

In so far as Japanese Government property abroad was concerned, Mr. Peter Scott responded to Mr. Allison's statement that the United States was thinking in terms of a treaty provision similar to that in the Italian treaty by remarking that the Germans, whose property had already been sold, would not be particularly happy if the Japanese were allowed to have theirs back. He thought it would be necessary to take into consideration the German precedent.

On the problem of the gold stocks in Tokyo, Mr. Allison and Mr. Robert Scott again concluded that they must agree to disagree. Countering the argument that distribution of these stocks as reparations could not be considered by the United States Government for domestic political reasons, Mr. Scott noted the British had a similar problem, in that there was pressure to obtain service on pre-war Japanese loans, and reparations or war compensation payments. He expected that the British Government would be attacked at home on the ground that the Japanese treaty was too liberal. Referring to the pre-war debt, Mr. Allison said he understood Mr. Dulles thought a clause in the treaty specifying that it did not wipe out pre-war obligations was perhaps necessary. The Japanese themselves, he remarked, seemed to want to honor their pre-war obligations.

No conclusion was reached on the matter of compensation for Allied property in Japan. Mr. Allison noted that the United States was studying the matter of a clause in the treaty providing for such payment. At various times there had been considered proposals that compensation to a certain percentage of total loss, or up to a certain amount, with pro rata compensation for claims over that amount, should be given. Another proposal was that the Japanese should be required to restore such property as still existed and com-

pensate for non-recoverable property, through domestic legislation. This last alternative was now under consideration in Washington. The problem for us was that compensation for losses in Japan would place the United States in an invidious moral position, in so far as nations claiming reparations were concerned. If compensation were made, we would be in the position of getting something ourselves, while opposing reparations to nations which suffered war losses due to the Japanese. Mr. Robert Scott remarked that the British position was that property should either be restored or that one hundred percent compensation in yen should be paid.

Procedural Points

Mr. Robert Scott advised strongly against publication of the United States-proposed draft treaty after it is given to members of the FEC and other nations. With so many countries involved some would not be able to digest it before publication, and there would be a reaction to publication which would make opposition more difficult. Lobbies would be given an opportunity to build up. It generally would make it look as if the United States were jumping the gun, and would serve as a focus for anti-American feeling. In answer to Mr. Allison's argument that publication is advisable because of certain leakages, the possibility that the Soviets would repeat their performance of last autumn and publish the draft treaty for propaganda purposes, and the possibility of deliberate leakages, perhaps in the Philippines, to stimulate lobbies, Mr. Robert Scott pointed out that there would still be opportunity to try to correct leakages without publication. Mr. Allison noted that a feeling that the United States was jumping the gun would not be justified, since negotiations have continued since last September, and Mr. Scott agreed that this was a valid answer to that charge. Mr. Allison also remarked that the draft treaty would be accompanied by a memorandum explaining that these were the tentative views of the United States Government, and referring to previous consultations. This, he thought, would help in allaying fears about United States intentions and minimize resentments. Mr. Johnston brought up the Australian fears over security and the consequent effect of publication of the draft treaty on the Australian elections. Mr. Allison replied that he had explained our intentions to Mr. Spender, and had not yet received a reply. He expected the same reaction as from the British. In closing this part of the discussion, Mr. Allison promised to re-examine the question of publication.

The question of Soviet participation, both sides thought, might solve itself, since the Soviets probably would refuse to consider the present proposals. Mr. Robert Scott agreed with Mr. Allison's suggestion that an accession clause in the treaty, with perhaps a three

year limit, might be a good idea, as it would permit the Soviets to accept the treaty later if they wished. Mr. Scott brought up the matter of the 1942 United Nations agreement, binding signatories to conclude no separate peace. He agreed with Mr. Allison's reply that a reasonable construction of that provision was that it really referred to an armistice, and was not intended to bind for eternity. Mr. Scott also agreed with Mr. Allison that what was really necessary was to decide what was right, and do it, since the Soviets would take whatever action pleased them, regardless of their international obligations. The USSR should not find anything to object to in the treaty, Mr. Allison remarked. They would, for instance, get the Kuriles, although there was a suspending clause in the draft treaty which affected non-signatories. Mr. Scott noted with some satisfaction that suspension of legal transfer of the Kuriles until Soviet acceptance of the treaty would leave the Kuriles an open point of friction between the USSR and Japan.

Mr. Allison stated that any reference to bi-lateral security arrangements had been taken out of the draft treaty, and a clause permitting Japan to make security arrangements with other powers, under the authority of Article Two of the United Nations Charter, had been inserted. Our bi-lateral treaty with the Japanese, concluded after the peace treaty was signed, would refer to this "enabling" clause. Mr. Robert Scott thought this a satisfactory answer to the Sino-Soviet treaty.

Both sides agreed that the question of Chinese participation was a difficult one. Mr. Robert Scott pointed out that bringing in only one of the two Chinese governments would pre-judge Japanese recognition. To include only the Nationalist government would incur Japanese resentment, since the Japanese would not like the prospect of being cut off from the Chinese mainland indefinitely. In addition, he said, the participation of the Nationalists might legally bring in the Sino-Soviet treaty. Of course, the USSR would come in anyway if it suited her purposes.

The Cabinet thought that the Peiping government was the one which should participate in the treaty, Mr. Scott said. However, because there was international disagreement over this question, it had been proposed that an accession clause should be included in the treaty, which would leave open the question of which China should participate. Under this proposal, neither Chinese government would sign, and, in effect, the question would be left to the Japanese to decide. However, the Cabinet had not agreed to this as yet. Mr. Allison replied that he had no opinion on this proposal, but remarked that it was realized in the United States that any attempt to bring the Nationalists in would encounter strong British opposition.

The next question was that of how, when and where the Allies would deal with the Japanese regarding a treaty. The British, Mr. Scott remarked, did not like the idea of some thirty or forty powers talking with the Japanese, since it gave the Japanese a chance to bargain. However, this would be all right once substantial agreement had been reached through diplomatic channels.

In response to Mr. Allison's suggestion that there might be a "signing" conference in Tokyo, Mr. Scott stated that the British had no definite position on this question, but mentioned that the United Kingdom Liaison Mission in Tokyo had recommended against holding any such function in Tokyo, on the ground that it would arouse Japanese resentment against the peace treaty. Mr. Allison did not think that there would be any bad reaction, and added that the United States Government had no firm views on the question of the site of a conference.

With regard to immediate steps, Mr. Allison said that the United States Government intended shortly to tender a draft treaty to member governments of the FEC, and to certain other governments. Mr. Scott approved distribution to "members" of the FEC, as opposed to the FEC itself, because this meant that the question of China as such did not enter in. However, he objected to the distribution of the draft treaty to Korea (one of the non-FEC states receiving copies of the draft), because Korea occupied a different legal position. Mr. Allison replied that it was his view that for political reasons it was better to do so. Mr. Scott also brought up the question of consulting other belligerents at this time, saying that they should be brought in now. To this, Mr. Allison answered that there had not been much thought about this, but that the United States might like to bring them in as suggested.

The question of the disposition of the Ryukyu islands was discussed by Mr. Allison. He stated that the United States of course did not want to annex the islands, and regarded a United Nations trusteeship as a headache. It was thought that some time sovereignty might be returned to the Japanese. Therefore the suggested phraseology in the treaty was "may" rather than "shall" hold a trusteeship. Mr. Scott cautioned against leaving points of friction with the Japanese, and secondly against trusting them too much.

Mr. Charles Johnston telephoned Mr. Allison later on March 21st, and gave him certain additional information about British views and intentions regarding the treaty. It appears that the Foreign Office is now preparing its own draft treaty, as an informal working document. It will probably be forwarded to the United States Government, the Commonwealth Governments, and to certain others, quite soon. The Foreign Office does not intend to publish its draft, but

feels that it might be compelled to if the United States Government goes ahead with its plan to publish the draft it has prepared.

Mr. Johnston also mentioned to Mr. Allison the possibility that it might be worth while if Mr. Dulles could make a trip to London to discuss the treaty. He received the impression that Mr. Allison thought this suggestion should be considered. However, there was no commitment on either side.

Under Secretary's Meetings, Lot 53 D 250

*Memorandum of the Under Secretary's Meeting, Prepared in the
Department of State*¹

SECRET

[WASHINGTON,] March 21, 1951—9:30 a. m.

UM N-321

[Here follow sections of the memorandum which summarize discussion of the military situation in Korea and of budgetary matters.]

Japanese Peace Treaty

3. Mr. Dulles reported that he is ready to distribute our draft of the text of a Japanese peace treaty to other interested governments. He plans to give fifteen governments this tentative text. The text has been reviewed in the Department. Defense has not formally approved the text but this probably is not necessary at this time. However, they have raised no objections to the various parts of the treaty.

4. Mr. Dulles reported on various aspects of the text. Japan will renounce title to Formosa and no mention will be made of Formosa's future. With respect to the Ryukyus and Bonin Islands, the United States may propose a UN trusteeship administered by the United States. The article on Sakhalin and the Kuriles quoted the verbatim[?] Yalta agreement.² If the USSR refuses to accept a treaty we will be prepared to reconsider whether reference to Sakhalin and the Kuriles should be totally eliminated from the treaty. The treaty gives recognition to the sovereignty of Japan and provides an enabling clause for our stationing troops in Japan. With respect to reparations, the treaty recognizes that Japan cannot make payments. Claims may be taken out of Japanese assets available in individual signatory countries. Claims under GARIOA are not waived. The text also states that Japan will not grant a treaty or privileges to any other

¹ The Secretary and W. Averell Harriman, Special Assistant to the President, neither of whom were regular attendants at the Under Secretary's Meeting, were present on this occasion.

² For text of the agreement regarding entry of the Soviet Union into the war against Japan, signed at Yalta, February 11, 1945, by the Heads of Government of the Union of Soviet Socialist Republics, the United Kingdom, and the United States, see *Foreign Relations*, 1945, The Conferences at Malta and Yalta, p. 984.

government better than those granted to the signatory powers under this treaty. In regard to putting the treaty into effect, we contemplate that nine months after Japan ratifies the treaty, it can be brought into force only by deposit of ratification of the majority of the states which are members of the Far Eastern Commission, including the United States. After nine months any ratifying country can bring the treaty into force between it and Japan. States which do not sign the treaty and which were in a state of belligerency with Japan may adhere to the treaty any time within three years.

5. Mr. Dulles plans to place the Japanese peace treaty draft in the hands of the Far Eastern Commission governments, Indonesia, Ceylon and Korea. He pointed out that there is a possible complication because of the general election in Australia and the absence of any provision in the proposed treaty with respect to Japanese rearmament. Mr. Dulles felt that this may be used as an issue in the Australian elections.

6. In response to a series of questions by the Secretary, Mr. Dulles explained the following points:

a. The President has asked us to push ahead on the treaty. His previous directive authorized us to approach interested governments on a Japanese peace treaty text. Mr. Dulles has gone over the text with the Foreign Relations Committee and the appropriate subcommittee. The Committee has specifically approved the discussion of this text with other governments.

b. Mr. Dulles agreed that we must contemplate that this text will become available to the public. In fact, it might be desirable for the United States to make it public, especially if the USSR begins to use it in a propaganda way.

c. Mr. Dulles stated that we have prepared a statement which deals with Japanese rearmament. We agree that Japan should not be re-armed so as to menace her neighbors. Rearmament should be developed only under a cooperative arrangement. We have a declaration from the Japanese saying that they would arm only to an extent consistent with the provisions of the charter of the United Nations.

d. With respect to the possible reaction of the Chinese Communists, Mr. Dulles pointed out that we have not decided on the treatment of China. He believes that this problem can not be solved at the present time. He pointed out that Australia, New Zealand, and Canada are reluctant to be co-signers with China.

e. With respect to possible Russian response, Mr. Dulles explained that Malik had said that the USSR would not resume negotiations with the U.S. on a Japanese peace treaty. This subject has not been placed on the agenda for a possible CFM. If it were so placed, we would not consider it a proper subject for discussion.

7. The Secretary asked Mr. McWilliams³ to get him all the material which has been made available to the public on the Japanese peace treaty.

³ William J. McWilliams, Director of the Executive Secretariat.

8. Mr. Byroade⁴ pointed out that we may be headed for inconsistencies with respect to treaties for Japan and Germany as it affects military restriction. Mr. Dulles agreed and pointed out that the two situations are different. However, we might have to come to some military restrictions in the Japanese treaty. We would prefer to rely on bilateral talks to accomplish this.

9. Mr. Bonbright felt that we should have a go ahead from Spender before we make the treaty text available to other governments. He asked whether a month's delay was too much of a price to pay for the effect that the treaty might have on Australian elections. Mr. Nitze felt that it was important to make the text available to other governments, especially while fighting is going on in Korea. Mr. Dulles also pointed out that there might be many reasons to delay at different times and we should not use this as one.

10. The Secretary suggested that this discussion might be continued with the interested parties at an appropriate time.

⁴ Henry A. Byroade, Director of the Bureau of German Affairs.

694.001/3-1751

*Provisional United States Draft of a Japanese Peace Treaty*¹

SECRET

[WASHINGTON, March 23, 1951.]²

PROVISIONAL DRAFT OF A JAPANESE PEACE TREATY

(Suggestive only)

The Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security. Japan declares its intention to apply for membership in the United Nations and under all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the United Na-

¹ As filed this draft is annexed to a covering memorandum, not printed. In telegram 1386 to Tokyo, March 23, marked "Sebald from Allison," the Department described the distribution of these papers as follows: "Provisional draft Jap peace treaty with covering memorandum being handed British Chargé today and representatives other FEC countries plus Indonesia, Korea and Ceylon during coming week. Draft marked secret with no present intention for publicity." The Department instructed Mr. Allison's Office to provide copies also to Prime Minister Yoshida and to General MacArthur. (694.001/3-2351)

The last paragraph of the covering memorandum is as follows: "Govt US would appreciate consideration of enclosed draft and early expression of views. Thereafter, Govt US will expect get in touch with [the FEC powers, Indonesia, Korea and Ceylon] with view to concerting future procedure."

² The next previous draft, not printed, is dated March 20. (Lot 54 D 423)

tions Universal Declaration of Human Rights; to seek to create internally conditions of stability and well-being as envisaged by Articles 55 and 56 of the Charter of the United Nations and already initiated by postwar Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices. The Allied Powers welcome the intentions of Japan in these respects and will seek to facilitate their realization. In order to put their future relations on a stable and peaceful basis the Allied Powers make this Treaty with Japan.

CHAPTER I

PEACE

1. The State of War between the Allied Powers and Japan is ended.

CHAPTER II

SOVEREIGNTY

2. The Allied Powers recognize the full sovereignty of the Japanese people over Japan and its territorial waters.

CHAPTER III

TERRITORY

3. Japan renounces all rights, titles and claims to Korea, Formosa and the Pescadores; and also all rights, titles and claims in connection with the mandate system or deriving from the activities of Japanese nationals in the Antarctic area. Japan accepts the action of the United Nations Security Council of April 2, 1947,³ in relation to extending the trusteeship system to Pacific Islands formerly under mandate to Japan.

4. The United States may propose to the United Nations to place under its trusteeship system, with the United States as the administering authority, the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vola and Marcus Island. Japan will concur in any such proposal. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.

5. Japan will return to the Union of Soviet Socialist Republics the southern part of Sakhalin as well as all the islands adjacent to it and will hand over to the Soviet Union the Kurile Islands.

³ For text of the Trusteeship Agreement for the former Japanese-mandated islands in the Pacific, concluded between the United States and the Security Council of the United Nations on April 2, 1947, see TIAS No. 1665, or 61 Stat. (pt. 3) 3301. For documentation regarding conclusion of this Agreement, see *Foreign Relations*, 1947, vol. 1, pp. 258-278.

CHAPTER IV

SECURITY

6. Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular obligations

(a) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(b) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the Purposes of the United Nations;

(c) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any state against which the United Nations may take preventive or enforcement action.

The Allied Powers undertake reciprocally to be guided by the principles of Article 2 of the Charter of the United Nations in their relations with Japan.

7. The Allied Powers recognize that Japan as a sovereign nation possesses what the Charter of the United Nations refers to as the inherent right of individual or collective self-defense and that Japan may voluntarily enter into a collective security arrangement or arrangements participated in by one or more of the Allied Powers. Such arrangements shall be designed solely for security against armed attack.

(*Note:* The foregoing suggestions are recognized as being not in themselves complete with respect to security and are to be supplemented in the light of the outcome of current exchanges of views designed to maintain security in the Pacific and to enable Japan hereafter to contribute to its security without developing armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.)⁴

CHAPTER V

POLITICAL AND ECONOMIC CLAUSES

8. Japan will continue to be a party, or if not now a party will seek adherence, to existing multilateral treaties and agreements de-

⁴ The Department's telegram 252 to Canberra, March 22, marked "For Spender from Dulles", in part indicates that the preceding paragraph was inserted shortly before distribution of the draft in order to meet the views of the Government of Australia, which had opposed a previously suggested covering memorandum (694.001/3-2251). The text of that draft covering memorandum, in which the problem of Pacific security in relation to Japan was treated without allusion to "current exchanges of views," is contained in telegram 241 to Canberra, March 16, not printed, which was also a message from the Consultant to Mr. Spender (694.001/3-1651).

signed to promote fair trade practices, to prevent the misuse of narcotics and to conserve fish and wildlife.

9. Japan agrees to enter promptly into negotiations with parties so desiring for the formulation of new bilateral or multilateral agreements for the regulation, conservation and development of high seas fisheries.

10. Each of the Allied Powers, within a year after the present Treaty has come into force between it and Japan, will notify Japan which of its prewar bilateral treaties with Japan it wishes to keep in force or revive, and such treaties shall continue in force or be revived except for any provisions thereof not in conformity with the present Treaty, which provisions shall be deemed deleted. All such treaties not so notified shall be regarded as abrogated.

11. Japan renounces all special rights and interests in China.

12. The power to grant clemency, reduce sentences, parole and pardon with respect to the war crimes sentences imposed by military tribunals of the Allied Powers on persons who are incarcerated in Japan may not be exercised except jointly by Japan and the Government or Governments which imposed the sentence in each instance. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except jointly by Japan and a majority of the Governments represented on the Tribunal.

13. Japan declares its readiness promptly to conclude with each of the Allied Powers treaties or agreements to put on a stable and friendly basis the commercial and trading relations between them. In the meantime the Government of Japan will, during a period of three years from the first coming into force of the present Treaty, accord most-favored-nation treatment to each of the Allied Powers with respect to customs duties, charges and all other regulations imposed on or in connection with the importation and exportation of goods, and will accord national treatment or most-favored-nation treatment, whichever is more favorable, with respect to the vessels, nationals and companies of the Allied Powers and their property, interests and business activities within Japan. National treatment shall not be deemed to include Japanese coastal and inland navigation. In respect of any of the above matters the Government of Japan may withhold from any Allied Power the application of more favorable treatment than such Power, subject to the exceptions customarily included in its commercial agreements, is prepared to accord Japan in that respect.

Notwithstanding the provisions of the first paragraph of this Article, the Government of Japan will be entitled to apply measures to safeguard its external financial position and balance of payments

or its essential security interests, and to reserve the exceptions customarily contained in commercial agreements.

Pending the conclusion of civil air transport agreements, Japan, during a period of three years, shall extend to each of the Allied Powers not less favorable civil air traffic rights and privileges than those they exercised at the time of coming into force of the present Treaty.

Japanese submarine cables connecting Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan retaining the Japanese terminal and adjoining half of the cable and the detached territory the remainder of the cable and connecting terminal facilities.

CHAPTER VI CLAIMS AND PROPERTY

14. The Allied Powers recognize that Japan lacks the capacity to make payments in bullion, money, property or services which would enable Japan to maintain a viable economy, to meet its obligations for relief and economic assistance furnished since September 2, 1945, in furtherance of the objectives of the occupation, and also to make adequate reparation to the Allied Powers for war damage. However, Japan grants to each of the Allied Powers the right to vest, retain and dispose of all property, rights and interests of Japan and of Japanese nationals which between December 7, 1941, and September 2, 1945, were within their territories, or within territories renounced by Japan, or within territory administered by any of them under United Nations trusteeship, except (i) property of Japanese nationals permitted to reside in the territory of one of the Allied Powers and not subjected to special measures prior to September 2, 1945; (ii) tangible diplomatic or consular property, net of any expenses incident to its preservation; (iii) property of non-political religious, charitable, cultural or educational institutions; (iv) property located in Japan, despite the presence elsewhere of paper or similar evidence of right, title or interest in such property, or any debt claim with respect thereto and (v) trade-marks identifying products originating in Japan.

In case any Allied Power has taken property, rights or interests of an industrial character of Japan or of Japanese nationals from the territory of another Allied Power, it will account to the other.

Reparations claims of the Allied Powers and their claims for direct military costs of occupation shall be deemed to be satisfied out of the Japanese assets subject to their respective jurisdictions in accordance with the foregoing and out of assets received from the Japanese home islands during the occupation.

(*Note:* The foregoing suggestions regarding reparations are made subject to current exchanges of views.)

15. Japan will return, upon demand, within six months from the first coming into force of this Treaty, the property, tangible and intangible, and all rights or interests of any kind, in Japan of each Allied Power and its nationals, unless the owner has freely disposed thereof without duress or fraud. In the case of war loss or damage to property of nationals of Allied Powers in Japan compensation will be made in accordance with Japanese domestic legislation in yen subject to Japanese foreign exchange regulations.

16. Japan waives all claims of Japan and its nationals against the Allied Powers for action taken during the State of War hereby ended, and waives all claims arising from the presence operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

CHAPTER VII SETTLEMENT OF DISPUTES

17. Any dispute between an Allied Power and Japan concerning the interpretation or execution of the present Treaty, which is not settled through diplomatic channels, shall, at the request of a Party to the dispute, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated October 15, 1946, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect of all disputes of the character referred to in this Article.

CHAPTER VIII FINAL CLAUSES

18. Allied Powers, for the purposes of the present Treaty, shall be deemed to be those States at war or in a state of belligerency with Japan and which become parties to the present Treaty.

19. Except for the provisions of Article 11, the present Treaty shall not confer any rights, title or benefits to or upon any State unless and until it signs and ratifies, or adheres to, this Treaty; nor, with that exception, shall any right, title and interest of Japan be deemed to be diminished or prejudiced by any provision hereof in favor of a State which does not sign and ratify, or adhere to, this Treaty.

20. Japan will not make a peace settlement or war-claims settlement with any State which would grant that State greater advantages than contemplated by the present Treaty to be granted to the Parties hereto.

21. The present Treaty shall be ratified by the Allied Powers and by Japan and will come into force as between Japan and other ratifying States when instruments of ratification by Japan and by a majority, including the United States of America as the principal occupying power, of the States which are members of the Far Eastern Commission have been deposited with the Government of the United States of America. If such coming into force has not occurred within nine months after ratification by Japan, then any Allied Power may at its election bring the Treaty into force as between itself and Japan by notification to Japan and to the Government of the United States of America. The Government of the United States of America shall notify all signatory and adhering States of all ratifications deposited and of all notifications received pursuant to this Article.

22. Any State, not a signatory to the present Treaty, which is at war or in a state of belligerency with Japan may adhere to the present Treaty at any time within three years after the Treaty has come into force as between Japan and any ratifying State. Adherence shall be effected by the deposit of an instrument of adherence with the Government of the United States of America, which shall notify all the signatory and adhering States of each deposit.⁵

⁵ With a short memorandum of March 26, not printed, President Truman returned to the Secretary a copy of this draft in which he had made three stylistic changes. The President said in conclusion: "I hope you will be able to implement this Treaty as quickly as possible." (Lot 54 D 423)

694.001/3-1751 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP
(Sebald)*

SECRET

WASHINGTON, March 29, 1951.

Topad 1408. Sebald from Dulles.¹ Reference Part II "Jap Government Views" transmitted Tokyo's 1678 Mar 17,² following are informal and preliminary views of Defense Dept on Jap proposals regarding bi-lateral treaty. These comments have been given us informally and are not to be considered final JCS views but believed helpful for you to have them. In your discretion you may communicate them to Iguchi making clear they are tentative. We are inclined to concur in Defense views and Iguchi should not be encouraged to believe they will be substantially altered. Text ³ follows:

¹ Telegram drafted by Mr. Allison.

² Not printed, but see editorial note, p. 930.

³ The mentioned text is an unsigned Defense Department memorandum of March 23 which was left at the State Department March 28 by Lt. Col. Jack J. Wagstaff, Office of the Assistant Chief of Staff, G-3, U.S. Army. (Lot 54 D 423)

a. Japanese Proposal: Paragraph 1 of the Preamble

Insert the word 'effective' between the words 'the' and 'means'. Recommend concurrence.

b. Japanese Proposal: Paragraph 3 of the Preamble

Change the phrase 'the treaty of peace gives Japan the right to enter into collective self-defense arrangements' to 'the treaty of peace recognizes that Japan has the right to enter into collective self-defense arrangements'. Recommend concurrence.

c. Japanese Proposal: Paragraph 5 of the Preamble

Change the phrase 'in the interest of peace and security' to read 'recognizing that an armed attack on Japan affects the peace and security of the Pacific area and of the U.S.'. Recommend non-concurrence.

Insertion of this phrase would imply an obligation on the part of the U.S. which would be unwise to put in writing until Japan is in a position to assume obligations of its own and to conclude a more definitive agreement than is represented by this Provisional Bilateral Treaty. It should be noted that the proposed wording is very similar to that used in Article 4 of the proposed Pacific Pact.⁴

d. Japanese Proposal:

Insert Paragraph 1, Chapter I of the Administrative Agreement in the Bilateral Treaty itself. Recommend non-concurrence.

There is considerable doubt among the legal experts in the Office of the Secretary of Defense as to whether this phrase should be included in any agreement, even the Administrative Agreement. The 'privileges and immunities which are normally accorded under international law to the forces of a nation stationed in a foreign country in peace time' are apparently not uniform and differ materially according to circumstances. The question of privileges and immunities for U.S. forces stationed abroad has been the subject of much discussion between the State and Defense Departments in respect to the NATO Agreement⁵ and it is therefore considered that a broad statement of this kind in a treaty would only cause confusion.

e. Japanese Proposal:

Transfer the first sentence of Paragraph 1, Chapter II, Administrative Agreement, to the Bilateral Treaty. Recommend non-concurrence.

It is not believed wise to include in a formal treaty broad statements with regard to the administrative arrangements unless all of the Administrative Agreement is transferred to the treaty. Under the present arrangement, both the United States and Japan can propose administrative changes as circumstances warrant and such changes can be agreed to relatively easily.

⁴ Apparent reference to Article IV of the draft Australia-New Zealand-United States security treaty of February 17. For text, see p. 172.

⁵ For text of the North Atlantic Treaty signed at Washington, April 4, 1949, see TIAS No. 1964 or 63 Stat. (pt. 2) 2241.

In this particular instance it seems very unsound to include in the treaty a statement to the effect that the U.S. would pay all expenses except those paid by the Japanese, without spelling out in detail how those expenses would be divided.

f. Japanese Proposal:

Insert Paragraph 1, Chapter III of the Administrative Agreement in the Bilateral Treaty and change this paragraph so that it reads as follows: 'In order to facilitate agreement concerning execution of this agreement there shall be established a committee to be composed of an equal number of representatives of the two countries. This committee shall come into being upon the date that this Administrative Agreement becomes effective. The committee shall be so organized that it may meet immediately at all times. The committee may establish such auxiliary organs as may be required.'

Here again, matters of administration are inserted into the treaty. Moreover, the powers of the committee have been increased so as to give them full control 'concerning the execution of this agreement' instead of being concerned with 'sites, facilities, expenses, and status of garrison troops'. The Japanese attempted to secure this proposed wording while we were in Tokyo and we took a very strong stand against it. It is not believed sound to permit a local committee to have such broad powers. The ability of the U.S. Commander to carry out his mission under the terms of the Administrative Agreement would be greatly hampered since if this statement were placed in the treaty itself, it is conceivable that the committee would have the right to review almost all of his actions."

[Dulles]
ACHESON

694.001/3-3051: Telegram

The Ambassador in London (Gifford) to the Secretary of State

SECRET

LONDON, March 30, 1951—6 p. m.

5162. 1. Fol from Johnston, head Japan Dept FonOff, on developments re peace treaty:

(a) Cabinet has rejected suggested compromise formula drafted by FonOff (Embtel 4617 Feb 26, para 2)¹ and has gone on record that CPG shld be consulted along with other powers; similarly Formosa shld be ceded by Japan to China.

¹ This paragraph reads as follows: "FonOff remains strongly in favor multi-lateral treaty and is attempting work out formula which would postpone indefinitely decision as to what government would represent China. With this in mind it is now drafting an 'accession clause' which will be to effect that as signatories not in agreement as to who should represent China accession of China to treaty should be delayed until this question is decided among other signatories. Similarly, another clause would recognize that Japan cedes Formosa to China but the interpretation of manner it would be ceded and identity of government to acquire Formosa would have to await later developments." (694.001/2-2651)

(b) Basis for cabinet rejection FonOff proposal not understood although Morrison² perhaps more susceptible than Bevin to labor back-benchers. In any case cabinet action does not preclude counter-suggestions by Dept which FonOff wld welcome.

(c) US draft treaty recd and being studied. FonOff proposes present UK draft to Dept in few days. UK draft will be considerably longer than that of US. UK feels all controversial issues shld be faced squarely and in detail. On completion, FonOff plans compare two drafts and supply US with pertinent comments.

(d) Apart from points of difference brought to Allison's attn during his London visit no substantial differences in two drafts other than those mentioned in sub-para (a) above.

2. When EmbOff inquired how CPG cld be invited participate in negots in view US recognition Natl Govt, Johnston said he assumed invitation to CPG might be extended by UK or GOI. He felt it important we go on record as inviting CPG participate if only for propaganda purposes. If CPG shld refuse invitation it wld be put in wrong as USSR has been.

3. Info contained in para one being brought officially to Dept's attn through Brit Emb Washington.

GIFFORD

² Herbert Morrison had succeeded Mr. Bevin as Foreign Secretary on March 9.

Lot 64D423

Memorandum of Conversation, by the Deputy Director of the Office of British Commonwealth and Northern European Affairs (Satterthwaite)

SECRET

[WASHINGTON,] March 30, 1951.

Subject: Pacific Security Arrangement.

Participants: Sir Oliver Franks, British Ambassador
Mr. F. S. Tomlinson, British Embassy
Ambassador Dulles, S
Mr. John Allison, FE
Mr. L. Satterthwaite, BNA

[Here follows that portion of the conversation which dealt with regional security arrangements in the Far East.]

Sir Oliver then said that he was leaving a note on two aspects of the Japanese Peace Treaty (copy attached).¹ He said that paragraph

¹ The entire text of this *aide-mémoire* is as follows:

"It is the view of His Majesty's Government in the United Kingdom that the Central People's Government of China should be invited to participate in any negotiations for the conclusion of a peace treaty with Japan.

"2. As regards the disposal of Formosa in the treaty of peace with Japan, His Majesty's Government in the United Kingdom consider that Japan should be required to renounce her sovereignty over Formosa and cede it to China."

1 of the note outlining the British desire to have the People's Government of China included in the Peace Treaty with Japan was not only for the record which, however, was a part of the reason, but also because the British were convinced that if the purpose of the Japanese Treaty were to be fulfilled, that is the reestablishment of Japan on a self-sustaining basis, Japan would have to have good relations with China, which meant for the foreseeable future the Peiping Government. It was clear that the new Japanese state could not have good relations with Russia. Its trade with China was most important. Sir Oliver doubted the Peiping Government, if asked, would accept an invitation to participate in the Japanese peace talks. In fact, the British were strongly of the opinion that it would not. Nevertheless, a refused invitation would be better for us than a complaint that they were not asked. Ambassador Dulles said that the inclusion of the Peiping Government would present a great many difficulties for us and he wondered whether the British Government had given any consideration as to how they should be asked and who should do it. Sir Oliver said he did not think they had, but he would ask for their thinking on this and pass it on to the Department.

With respect to the second point, that is the renunciation by Japan of claims to Formosa in favor of China without specifying what China, Sir Oliver said that he thought our language, which provided for the renunciation of Formosa by Japan, but without specifying who should have it was a little bit vague. Ambassador Dulles said that this, too, presented us with many problems but that we would consider the British views carefully. Ambassador Dulles pointed out the importance of not taking any action by the Treaty which would suddenly and definitely foreclose all international concern with Formosa as it might be desirable at some stage to invoke that concern.

Lot 55 D 598

Memorandum by the Deputy to the Consultant (Allison) to the Intelligence Adviser in the Bureau of Far Eastern Affairs (Peake)

TOP SECRET

[WASHINGTON,] April 2, 1951.

Subject: NIE-19

I have read with interest NIE-19,¹ and in general concur with its conclusions. However, there are a few matters which I believe should

¹ The draft of NIE-19 discussed here and in the document partially summarized in the footnote 2 below has not been found in Department of State files. For the final version of April 20, see p. 993.

receive further attention. I should say that I have read Mr. Johnson's memorandum on this paper and concur fully with it.²

In connection with the first point raised by Mr. Johnson, namely, degree to which present non-communist Governments in the Far East are "reconciled to the necessity of Japanese defensive rearmament", I suggest that the paper might give some consideration to methods by which these non-communist Governments in the Far East could be made to give active support to any Japanese defensive rearmament. While it may be true that the Governments themselves are "reconciled", that is certainly not true of large bodies of the peoples in those lands and the attitude of the Governments will necessarily be affected by their public opinion problem. In this connection, the paper might make some mention of the influence which public knowledge of the willingness of the United States to enter into mutual security arrangements with the Pacific island powers might play.

While considerable attention is given in the paper to the necessity of the United States providing continued economic support for Japan in order to make possible a program for rearmament, there does not seem to be any adequate discussion of the effect of a full, or partial, pay-as-you-go plan for American forces retained in Japan after a treaty. Presumably the initial steps toward rearmament might, in some degree, and perhaps in large degree, be financed out of the foreign exchange received by Japan as the result of having U.S. troops on some sort of a pay-as-you-go basis.

I note that the paper contends that a Japanese army "theoretically" could be created within six months or a year after Japan had agreed to rearmament, equipment and supplies had become available, and a training program had begun. In this connection the statement is made that there still exists enough veteran officers at all command and staff levels for any size of army required. While this is true, we found in Japan and in discussions with the Japanese, that one of their chief fears about engaging in any form of rearmament was the necessity of bringing back into active service high-ranking Japanese officers, i.e. colonels and above, as it is this group which the present political leaders of Japan fear most as being potentially able to get government

² In his memorandum of March 31 to Mr. Peake, Mr. U. Alexis Johnson had said in part: "I question whether an attempt to seize Japan before re-armament could become effective would or could be carried out by the USSR except as part of a pattern of global war. . . . I suggest that the paper should examine the merits from a US and international political viewpoint of at least initially confining Japanese re-armament to ground forces, the US to furnish air and naval components of a defense force."

Mr. Johnson had also stated that he questioned whether Southeast Asia sources of iron ore were sufficient for Japanese needs. (Lot 55 D 598)

control away from civilians and back into their hands. It may well be, therefore, that there will be great reluctance on the part of the Japanese Government to make use of their trained officer reserve in the high ranks, and that this will be a limiting factor upon their ability to develop quickly an armed force. I do not claim to know whether or not this would be so, but I believe this problem should be mentioned and perhaps further study made of this aspect of the matter.

I was disturbed to see several places in the paper the phrase "United States decision to rearm Japan". I do not think we can look upon this matter purely as a U.S. decision. In the final analysis, it will have to be a Japanese decision to rearm, which will receive the support of the United States. But I do not believe we should delude ourselves into thinking that we, alone, are making that decision.

694.001/4-351

*The Deputy to the Consultant (Allison) to the United States Political
Adviser to SCAP (Sebald)*

SECRET

[WASHINGTON,] April 3, 1951.

OFFICIAL INFORMAL

DEAR BILL: There is enclosed a copy of a memorandum to Mr. Dulles from the group in the Defense Department who are working on the draft bi-lateral and administrative agreement with the Japanese. These are comments on the Japanese suggestions contained in Tokyo's 1678 of March 17th.¹ The only major point really at issue seems to be that contained in paragraph *h* on page 3 of the enclosed memorandum. The other matters are of lesser moment, with the exception of the suggestions in paragraph *e* on page 2, concerning jurisdiction, and this is a point which will require further ironing out at a high level between State and Defense. In that connection, the Defense Department officers on a working level see merit in the Japanese position on jurisdiction, but the Judge Advocate General's Department is at present insisting on treating Japan as an uncivilized country with supposedly barbaric laws and jails, etc. where it is necessary to have a general extra-territorial position for the United States forces. Your comments and suggestions as to how to overcome this will be helpful to us, although I believe in the final analysis the State Department views will prevail.

With regard to the problem created under paragraph *h* there may be real trouble, particularly if in fact the Japanese have receded

¹ Not printed, but see editorial note, p. 930.

from their previous agreement that in case of hostilities or imminently threatened hostilities, the armed forces in Japan should be under a Supreme Commander named by the United States. The principle of unified command is one which is considered of basic importance by this Government and it is followed in all of our various mutual assistance arrangements. The European countries, members of NATO, have agreed, indeed greatly wanted, that General Eisenhower should be the Supreme Commander and this has not appeared to them any derogation of sovereignty. In like manner, it is believed the Japanese should not be averse to having a Supreme Commander in the Japan area designated by the United States. This is especially true during the period, which will undoubtedly last for some time, when the United States has the preponderant burden to bear in connection with armed forces. If, on the other hand, the Japanese concern is more with wording than with the substance and they are fearful about signing an agreement which specifically envisions the creation of Japanese armed forces before the Constitutional question had been settled or that would give the Japanese people the impression that its government was signing away rights over its armed forces, it may be that some alternative wording can be devised. Perhaps this problem could be settled by a private exchange of letters, although I do not think this would be very satisfactory.

We would like to receive your comments and suggestions as soon as possible on this general subject. It is most important for us to know whether in fact the Japanese still hold the same opinions which they expressed during our last visit or whether they are beginning to regret the agreements they made at that time and are now attempting to undercut them in various ways. Their intentions in this respect may have a very real bearing on the desire of this country to push forward with an early peace treaty. It is hoped that you will be able on an informal basis to get some definite expression from the Japanese on this point.

The latest Japanese suggestion on the unified command has not yet been referred formally to the JCS and it is the advice of Colonel Wagstaff, who drafted the enclosed memorandum, that it not formally be put up to the JCS until we hear further from you. Colonel Wagstaff believes that if the JCS were formally asked at this point to agree to the Japanese suggested revision, it would so muddy the waters as to make extremely difficult going ahead with the bi-lateral and the administrative agreement on anywhere near the present basis.

In letting us have your comments, it is suggested that these be sent by air pouch as for the present we wish to keep this problem on a secret and informal basis as far as possible.²

Sincerely yours,

JOHN M. ALLISON

[Enclosure]

SECRET

[WASHINGTON,] 2 April 1951.

MEMORANDUM FOR MR. DULLES

Subject: Japanese Comment on Administrative Agreement

1. The Department of Defense group which is preparing informal comment for you on the subject of a Japanese Peace Treaty has completed its study of the recommendations of the Japanese Government on the draft administrative agreement. The members of the group unanimously agree that the suggested amendments clearly indicate that the Japanese conceive that any post treaty military arrangements will be made on a basis of full international equality with the United States. The group has no knowledge of the degree to which the Japanese Government previously agreed to the draft documents presented them by the Dulles Mission; however, the group notes that the Japanese have now recommended certain rather startling departures from the original concept. In this regard note paragraph 2*h*, below, which appears particularly significant from the military viewpoint.

2. Specific comment with respect to the recommendations of the Japanese Government follows hereafter. (The number in parenthesis refers to the appropriate paragraph of the State Department cable 1678, 17 March).

a. Paragraph (10): Definition of terms.

The Japanese note that the terms "installations" and "facilities" are ambiguous as to their respective meanings.

Comment: The treaty and its corollary agreements must in final form be definite and clear, and the Japanese recommendation with respect to these particular words should be considered. However, it is

² In a letter of April 16 to Mr. Allison, Mr. Sebald stated in part:

"This is just a hasty note, prior to the arrival of the Dulles party this afternoon, to let you know that I have received your letter of April 3 and have discussed with Iguchi the substance of your second and third paragraphs. As we shall so shortly have the other members of your team here to discuss this and related matters, I shall not go into more detail at this time than to say that we received from Iguchi categorical assurances that the Japanese Government has no substantive objections to the language of Chapter IV of the Administrative Agreement as initialed by you and Iguchi, and that their proposed revision in no sense represented a 'backing away' on the part of the Japanese with respect to the principle of a unified command under U.S. direction. Their concern, it appears, has to do solely with the possible effects of the language of Chapter IV on the Japanese people in the event of the publication of the text of the Administrative Agreement." (Tokyo Post Files : 320.1 Peace Treaty)

not apparent that this is a vital issue at the moment. These terms might well be defined in the annexes listing the installations and facilities.

b. Paragraph (11): Chapter I, Status of garrison troops.

The Japanese have requested that the contents of paragraph 1 of Chapter I be incorporated in the text of the bilateral security treaty.

Comment: It is not deemed appropriate for the inclusion of administrative matters in the security treaty which treats of broader principles. Moreover, the Department of Defense is not prepared at this time to agree to the inclusion even in the administrative agreement of the language used in Chapter I, paragraph 1, i.e., "The U.S. forces stationed in Japan shall enjoy the privileges and immunities which are normally accorded under international law . . .", on the ground that such language is too indefinite and uncertain.

c. Paragraph (12): "Security forces."

The Japanese recommend that the term "security forces" as used in Chapter I (3), (9), (12) should be amended to read "U.S. forces."

Comment: This amendment is acceptable and desirable but is not considered a change of substance.

d. Paragraph (13): Chapter I (7), line 6.

The Japanese recommend that the words "U.S. installations and areas" should be deleted and the words "the installations and areas" be inserted therefor.

Comment: This amendment is acceptable and desirable and should be approved as it tends to broaden U.S. rights in post-treaty Japan.

e. Paragraph (14): Chapter I (9).

The Japanese recommend that the paragraphs of the draft administrative agreement referring to the judicial jurisdiction of the U.S. Government in post-treaty Japan be amended in such manner as to change entirely the legal concept proposed in the original U.S. draft.

Comment: In general, the U.S. draft provides that the U.S. Government will have the exclusive right to try and punish U.S. personnel in Japan. The Japanese amendment provides that the United States shall have exclusive jurisdiction over its personnel for all offenses on the military reservations and for offenses committed in the course of duty off the U.S. military reservations. However, Japan would have the right to try U.S. military personnel for offenses off the military reservations which are committed while off duty. This legal problem must be studied in detail by the Department of Defense before a final opinion can be rendered thereon, but a perusal of the Japanese recommendation clearly indicates that the position of the Japanese Government on the problem of U.S. jurisdiction rights is midway between the extremes of the position taken in the draft administrative agreement as contrasted to the principles of judicial jurisdiction which will govern the forthcoming NATO agreements.³

³ Documentation on negotiation during 1951 of agreements ancillary to the North Atlantic Treaty is scheduled for publication in volume III.

f. Paragraph (15): Chapter II, Expenses.

The Japanese recommend that the first sentence of Chapter II be incorporated in the bilateral security treaty.

Comment: Approval of this recommendation is unacceptable (see para b, above).

g. Paragraph (16): Chapter III, Comite.

The Japanese recommend that this chapter be included in the bilateral security treaty.

Comment: This recommendation is not acceptable (see para b, above). It should be noted, moreover, that the Japanese recommendation (see paragraph (9) of cable) with respect to Chapter III is a wide departure from the draft administrative agreement in that it would broaden the committee's authority to an unacceptable degree.

h. Paragraph (17): Chapter IV, Collective defense measures.

The Japanese recommend that the original chapter be deleted and the following inserted therefor:

"In event of hostilities or imminently threatened hostilities in Japanese area, governments of two countries will take appropriate measures for unified collective defense for which concrete plans shall be formulated by joint committee."

Comment: It is apparent that this recommendation by the Japanese Government is a radical departure from the provisions of the draft administrative agreement whereby all security forces in Japan would, in the event of hostilities or imminently threatened hostilities, be placed under the unified command of a supreme commander designated by the U.S. Government. This principle of command involved is of basic importance and the Joint Chiefs of Staff would undoubtedly non-concur in any arrangement whereby all the forces in Japan were not under the control of a U.S. commander in the event of hostilities. This principle was specifically included in the intra-governmental directive of 12 September 1950, and it is not believed that the JCS will modify their views in this regard.

3. The group has further comments on the administrative agreement which are not connected with the Japanese position. Their comments will be submitted to you shortly.

JACK J. WAGSTAFF
Lt. Colonel, GSC

694.001/4-451 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

TOKYO, April 4, 1951—1 p. m.

Topad 1750. For Dulles. Substance tentative comments contained Deptel 1408, Mar 29,¹ conveyed orally to Iguchi Apr 4.

¹ *Ante*, p. 950.

At same time Iguchi left with us memo dated April 4 setting forth his govt's comments on draft treaty handed Yoshida Mar 27. Text fols.

"1. Jap Govt highly appreciates thoughtfulness on part of Govt of US in sending to it provisional draft for Jap peace treaty. While welcoming present draft, which is calculated to enable her and Allied Powers to estab relations as sovereign equals and cooperate in friendly association to promote their common welfare, Jap Govt desires suggest slight modifications of draft text with respect to fol points.

"(a) *Chapter III, 4.*

"Ryukyu Islands south of 29 degrees north latitude.

"It is suggested to have phrase revised to read:

"Nansei Islands south of 29 degrees north latitude.

"Amami Island group, which belongs not to Ryukyu Islands but to Satsunan Islands, lies south of 29 degrees north latitude, while Nanseim (south-Western) Islands include both Satsunan and Ryukyu groups, that is, all islands between Kyushu and Formosa.

"(b) *Chapter VI, 14.*

"The Allied Powers recognize that Jap lacks the capacity to make payments in bullion, money, property or services?

"No mention is made of payments from current production. It is not clear whether omission has any significance. But in any case, Jap Govt desires consideration be given to advisability of adding 'current production' to the enumeration." *End text.*

Re para 1 (a) above, it appears historically correct that according Jap usage "Ryukyu Islands" not coextensive with "Nansei Islands", former term applying only to those islands formerly included within Okinawa prefecture (Okinawa and Sankishima sub-groups, including Daito and Sento Islands).²

SEBALD

² In a memorandum of April 5 to Mr. Allison, Mr. Fearey stated in part that he had consulted in this matter Samuel S. Boggs, Special Adviser on Geography. "He thought that 'Nansei' was the more accurate term and should be used. I pointed out that 'Ryukyu' was a much more familiar name and that it was possible that the Japanese had suggested 'Nansei' because it was a Japanese word ('Ryukyu' is a derivation of the Chinese 'Loochoo') and might serve as a reminder in future years of Japan's ownership. Mr. Boggs nevertheless said that 'Nansei' was technically more accurate." (694.001/4-551)

Lot 54 D 423

The Deputy to the Consultant (Allison) to the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] April 5, 1951.

Subject: U.K.-U.S. Views on Japanese Peace Treaty

There are given below certain observations on the extent to which the United States has endeavored to meet the views of the United

Kingdom with respect to a Japanese Peace Treaty as well as comments upon the obvious inconsistency of the United Kingdom expressed objectives and certain of the means by which they expect to attain them.

On six specific points which the United Kingdom raised and which had not previously been agreed to by the United States, this Government has either accepted completely the United Kingdom position, accepted the position with certain modifications or expressed a willingness to receive from the United Kingdom concrete suggestions as to how their position should be treated in a formal Treaty of Peace.

In the following three cases the United States has completely accepted the United Kingdom point of view :

1. The United States has agreed that Japan should not be bound by the Treaty to apply for U.N. membership and that the Allied or Associated Powers should not be bound to support Japan's application for U.N. membership.

2. The United States has agreed that the revival of non-political pre-war bilateral treaties should be *only* on the initiative of the allied state concerned.

3. The United States has agreed with the United Kingdom point of view that there should be no specific reference in the Treaty to the possible retention of United States armed forces in and about Japan after the Treaty comes into effect.

In the following two cases the United States has agreed at least in part with the United Kingdom position :

1. The United States agreed, at the suggestion of the United Kingdom, that in the Treaty Japan should renounce all past and present claims in the Antarctic Continent. However, the United States did not agree that Japan should fore swear any future claims to that vast territory, much of which has not yet been explored. Such a demand would appear invidious and not in keeping with the overall philosophy of the Treaty.

2. The United States has agreed with the British contention that the Japanese should make a one hundred percent restoration of all allied property in Japan, but the United States has not seen fit to have this spelled out in the Treaty itself but rather to leave it to domestic Japanese legislation. However, it is the intention of the United States that before the final signing of the Treaty, definite assurances be received that the Japanese Government intends to take such action.

There has been one case in which the United States has asked the United Kingdom for suggestions as to the drafting of a clause which would carry out their desires, namely, that any Most-Favored-Nation clause should be so drafted that each territory (such as colony or protective state) should count as a separate country.

The above six specific cases are those in which the United Kingdom position was initially different from that of the United States. It

should be borne in mind that in most of the clauses of the Treaty recommended by the United Kingdom, the United States had already taken a position in accordance therewith.

The outstanding points of difference which remain, other than procedural, are;

1. That undesirable Japanese political societies be outlawed.
2. That there should be a reference in the Preamble to the responsibility of the Japanese militarist regime for having provoked a state of war.
3. The United Kingdom demand that Japanese "excess" shipping capacity be destroyed.
4. That stocks of Japanese monetary gold be made available for reparations.
5. That Japanese assets in neutral and ex-enemy countries be not returned to the Japanese.

The first three items above would seem clearly undesirable if we accept the view expressed by the United Kingdom Chiefs of Staff that

"The continued alignment of Japan with the West can only be achieved on a voluntary basis, which would mean the establishment of an identity of interest politically, economically and military."

It is interesting to know that the views of the United Kingdom Chiefs of Staff, including that quoted above, have been approved by His Majesty's Government. It is difficult to see how there could be created between Japan and the West an identity of interest, "politically, economically and military" if the Treaty cast doubt upon the good faith of the Japanese and their intention not to revive ultra-militaristic societies, calls attention to the sins of their military in beginning the war and requires the Japanese Government to destroy a substantial portion of its economic productivity capacity. The British contentions with regard to making available for reparations Japanese gold stocks and assets in neutral and ex-enemy countries would appear to be entirely unrealistic in view of (1) the inability of the Allied Powers to agree on a definition of reparations shares and (2) the unlikelihood that in those countries where the U.S.S.R. has a voice in the joint control of Japanese assets that these assets would in fact be released for general distribution. The United Kingdom also completely ignores priority of the United States claims for compensation for its advances to Japan during the occupation in order to prevent disease and unrest and to assist in the economic rehabilitation of Japan so that Japan would not be a continuing burden on the Allies.

While the United States has made an honest and sincere effort to meet the British point of view wherever possible, I cannot readily recall to mind any case in which the United Kingdom has made any

effort to accommodate itself to the United States position. In one possible exception the present United Kingdom position is that there should be no further reparations from industrial assets in Japan, but it is not clear that the United Kingdom adopted this position out of any deference to the United States. Rather, it appears more likely that this position was adopted only after the United Kingdom had become convinced of the practical impossibility and uselessness of attempting to take out of Japan further industrial plants.

I recommend that in your conversation with Sir Oliver Franks, his attention be specifically drawn to the instances in which the United States has accommodated itself to the United Kingdom point of view and to the manifest inconsistency between the General United Kingdom position, agreed to by its government, and the insistence of the United Kingdom on including in the Treaty, clauses which would go far toward nullifying the effort to create an identity of interest between Japan and the West.

694.001/4-551

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*

SECRET

[WASHINGTON,] April 5, 1951.

Subject: Japanese Peace Treaty and Allied Security Arrangements

Participants: Sir Oliver Franks, British Ambassador

FE—Dean Rusk

S—John Foster Dulles

John M. Allison

Sir Oliver Franks called by request to discuss problems connected with the Japanese Peace Treaty and Allied security arrangements in the Pacific. Mr. Dulles opened the conversation by referring to the recent meeting between Sir Oliver and Secretary Acheson¹ as the

¹ In his memorandum of his conversation held April 2 with Sir Oliver, Mr. Acheson had stated in part:

"Secretary Acheson asked him whether the long delays in acting on Korean statement and Japanese treaty were due to any deliberate effort to block or obstruct and whether the British had some policy which they were not disclosing to us; and whether Sir Oliver thought we were drifting to real trouble. . . . So far as British policy was concerned, he [Sir Oliver] thought it was a matter of their not having any. The Foreign Office had been quite leaderless. Various bureaus had gone ahead drawing up papers. When we gave them a draft of a treaty, the particular Far Eastern bureau concerned had had a pride of authorship and had wanted us to see their draft. He did not think there was any desire to block or obstruct. He thought that ten days' or two weeks' talk would clear that situation up easily. . . . The Secretary, in general, explained to him fully our views that only American and Japanese power—the latter potential—existed in the Far East. Japan was now a primary end in itself. We had to move and move fast. We could not be paralyzed by looking only at all the difficulties. Sir

result of which the Secretary had received the impression from Sir Oliver that in the latter's opinion there were no insuperable obstacles to the coordination of United Kingdom and American views on a Peace Treaty and that Sir Oliver would do all in his power to bring this about. Sir Oliver confirmed this impression. Mr. Dulles then went on to say that we had become increasingly concerned of recent weeks at what appeared to be delaying tactics followed by the United Kingdom and that whereas some time ago it had been the United States which seemingly was not anxious to proceed quickly with a Peace Treaty. Now it began to look as if that was the United Kingdom position. We were beginning to wonder whether or not the United Kingdom still adhered to their previous desire for conclusion of an early Treaty. The recent *Aide-Mémoire* left by Sir Oliver² which, without any explanatory reasons being given, stated the United Kingdom desire that the Chinese Peoples' Government be participants in the Treaty negotiations and that Formosa be ceded to China was an example of tactics which made it very difficult to make progress. If the United Kingdom were to insist at this point on attempting to solve the question of Communist China's participation or the future status of Formosa, it could only delay matters and perhaps hold up all progress. The same situation had been true with respect to the delay of over six weeks in receiving the views of the United Kingdom with respect to a Pacific Island security arrangement. Sir Oliver interjected at this point to say that he had the views of his government on the latter question and would make them available when desired. Mr. Dulles further pointed out that the United States had made a strenuous effort to keep the United Kingdom completely and fully informed of its actions, that the United Kingdom had been the first nation approached in the Japanese Peace Treaty negotiations and that the United States had incorporated into its draft text of a Treaty several important points to meet the views of the United Kingdom. The United States felt that it had done its share and that we could now justifiably look to the United Kingdom Government for some evidence of its desire to cooperate with us. In our opinion it is of first importance that the United States and the British Commonwealth nations, particularly the United Kingdom, preserve unity of action

Oliver agreed and thought that there would be no difficulty in London. . . . The Secretary said to Sir Oliver that, as a result of the talk, he had been reassured that there was no fundamental rift or misunderstanding between Washington and London. In the Secretary's opinion what should be done, beginning tomorrow, is to have a series of specific talks about specific points, looking toward the State Department's coming out with clear proposals, which Sir Oliver could then get behind and put across in London. He agreed that this was the right procedure." (The Harry S. Truman Library : Dean Acheson Papers)

² See footnote 1, p. 953.

in so far as possible and the United States feels that if the two great English-speaking nations can effectively cooperate in these matters, it will be a real contribution to progress.

Sir Oliver said that he wished to talk very frankly and personally for a while about the problems which had been raised. He admitted delays in United Kingdom determination of policy and stated that he could give at least a partial explanation. Sir Oliver pointed out that for several months the Foreign Office has been without real guidance and direction from the top and that while it knew that a change was inevitable, it did not know when or in what form that change would come. It was, therefore, difficult for important decisions to be taken when guidance was being divided between several Ministers assisted from time to time by opinions received from Mr. Bevin's sick bed. However, this situation has now changed and Sir Oliver was confident that there would be more prompt action from now on. He also pointed out some of the difficulties faced by the United Kingdom Government and the unfortunate effect of what he termed MacArthuritis. He pointed out that whether one agreed or disagreed with what General MacArthur was doing, it was, nevertheless, a fact that his actions had caused considerable concern in Europe and Britain, and that that had conditioned to some degree United Kingdom actions. Sir Oliver went on to say that he was willing to do whatever was considered best and most helpful in making it possible for our two governments to understand thoroughly their respective policies and the reasons back of them and that he would take immediate steps to obtain from his government the detailed reasoning back of its request for Chinese Communist participation in the Peace Treaty negotiations as well as the suggestions of his government as to how this might be brought about. He would also endeavor to get a fuller statement of its position on the Formosa issue and with respect to many of the points of difference between us on the Japanese Peace Treaty. Sir Oliver felt there was no real likelihood of their being difficult in solution in the final analysis, but he did consider that the problem of the relation of Communist China to the whole matter was one of considerable importance and one upon which it would be most difficult to reach agreement. With respect to the Treaty itself, Sir Oliver pointed out that, as we know, the United Kingdom were themselves preparing a draft Treaty text and would shortly have it ready for presentation to us. He expressed the opinion that it would be very difficult and unsatisfactory to attempt to reconcile the two drafts by cable and suggested that it would probably be helpful if either some of their officials could come to Washington or some of the Americans could go to London so that the two texts could be discussed thoroughly and adjustments made. It was agreed that this was prob-

ably the best thing to do and Sir Oliver was told that we would get in touch with him later to give him our suggestions on this point.

[Here follows a portion of the memorandum devoted to discussion of a potential Pacific Pact; for text, see page 186.]

Mr. Dulles then reverted for a moment to the earlier discussion concerning Communist China and Formosa and again stated that it would be helpful to receive the views of the United Kingdom as to how Communist China could be brought into the picture. With respect to Formosa, he inquired as to why the United Kingdom had suggested that it be ceded "to China" and not to "the Republic of China" which were the words used in the Cairo Declaration. Sir Oliver said he did not know and took these words down, implying that he would put the question to his government.³

³ On April 9 Mr. Dulles prepared an addendum to this memorandum of conversation. The entire text reads:

"Mr. Dulles stated that he hoped a situation would not arise where the U.S. would have to choose between dealing with Japan without awaiting a common position with the U.K., or incurring such a delay in an effort to reach agreement with the U.K., as would involve grave risk that Japan would be lost to the free world." (694.001/4-551)

694.001/4-951 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, April 9, 1951—6 p. m.

Topad 1441. For Sebald from Dulles. As you know, UK is preparing its own Treaty draft¹ and arrangements are now under consideration for some UK Foreign Office people to come to Washington with it shortly in hope that divergencies between UK and US positions can be brought to minimum. In this connection we feel it wld be most helpful if there cld be present in Washington some rep of Jap Govt who cld be consulted from time to time and who wld be in position to indicate points on which Jap wld be willing to make concessions in interest of UK participation. It wld be desirable that there be minimum of publicity concerning such person being in Washington and it wld therefore probably be impossible to have someone such as Iguchi, whose departure from Tokyo cld not be kept quiet. On other hand, it is important that whoever comes shld be fully aware of Jap Govt viewpoint and be in a position to express it dependably. It is possible that if it shld be decided to send someone to Washington, he cld be attached to proposed Overseas Trade Office shortly to be set up here.

¹ See footnote 2, p. 979.

We think it important that Japs should take some of responsibility of determining to what extent demands of other govts shld be acceded to in an effort to have a Treaty agreed to by as many powers as possible and that whole burden of making these decisions shld not rest solely upon US.

Let us have your comments and suggestions soon as possible.
[Dulles.]

ACHESON

794.00/4-1151: Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

Tokyo, April 11, 1951.

NIACT

[Received 9:06 a. m.]

Topad 1788. Immediately upon receipt Deptel 1452, Apr 11¹ I called upon Yoshida and informed him of substance Dept's instruction. Prime Min was visibly shaken and said that departure General MacArthur wld come as tremendous shock to Jap people. He added he feels personally indebted to MacArthur to whose guidance he attributes his political success and to whose influence he attributes preservation of Emperor institution. He said that he had discussed matter with his colleagues (Yoshida had been host to large garden party this afternoon) and that he had made an appointment to see Emperor tomorrow morning. I then told Yoshida on my personal responsibility that I hoped he and his cabinet wld not consider that rule of traditional "responsibility" applied in this case as it was in my opinion essential that Cabinet carry on particularly during the initial period of General Ridgway's take-over in order that Jap people cld take their guidance and leadership from govt. Yoshida gave me his assurance that govt wld carry on and expressed his great appreciation at information which I brought to him. He said that with an absolute majority in the Diet and the probability that Liberal Party will be successful in forthcoming local elections there appeared no reason why govt shld not feel secure. He also said that he wld convey gist of conversation to Emperor and confidentially to members of his Cabinet and felt that they wld be greatly heartened to learn

¹ In this telegram the Department had in part instructed Mr. Sebald to call on the Prime Minister and inform him that the relief of General MacArthur in no way denoted or implied any change whatsoever in the Japanese or Far Eastern policy of the U.S., which was determined to conclude a peace treaty "as soon as possible on the basis already discussed." (794.00/4-1151) Earlier on April 11 the President had relieved General MacArthur from his posts as SCAP, CINCFE, and CINCUNC, and appointed Lt. Gen. Matthew B. Ridgway to all three commands. Documentation on General MacArthur's relief is scheduled for publication in volume VII.

that US cooperative policy towards Japan and formulation peace treaty remains unchanged.

SEBALD

S/P Files : Lot 64 D 563

*Memorandum on the Substance of Discussions at a Department of State-Joint Chiefs of Staff Meeting*¹

Extracts

TOP SECRET

WASHINGTON, April 11, 1951—11 a. m.

PRESENT²

General Bradley
General Collins
Admiral Sherman
General Vandenberg
General Bolte
Admiral Davis
Admiral Duncan
Admiral Lalor
General White
General Maddocks
Admiral Wooldridge
Admiral Robbins
General Rogers
Colonel Cress
Colonel Carns

Mr. Dulles
Mr. Matthews
Mr. Ferguson
Mr. Marshall
Mr. Lay
Mr. Gleason

Mr. Dulles cited the relief of General MacArthur as requiring quick progress on a Japanese peace treaty because of: (a) a wide impression—encouraged by the General himself, believed by the Japanese public, and, as implied by queries from the British Embassy, given some credence by the U.K.—that General MacArthur has been a protagonist of a Japanese peace treaty as against alleged Pentagon opposition; and (b) the need to dispel interpretations of the MacArthur removal as indicating abandonment of interest in the Pacific in favor of concern for Europe.

¹ The source text represents a State Department draft, not cleared with any of the participants. For other portions of this memorandum, see pp. 192–201.

² Adm. Forrest P. Sherman, Chief of Naval Operations; Lt. Gen. Charles L. Bolte, Deputy Chief of Army Staff for Plans; Vice Adm. Arthur C. Davis, Director of the Joint Staff; Vice Adm. Donald B. Duncan, Deputy Chief of Naval Operations; Rear Adm. William G. Lalor, (ret.), Secretary of the Joint Chiefs of Staff; Maj. Gen. Thomas D. White, Director of Air Plans; Col. Edwin H. J. Carns, Deputy Secretary of the Joint Chiefs of Staff; John H. Ferguson, Deputy Director of the Policy Planning Staff; Charles B. Marshall of the Policy Planning Staff; James S. Lay, Jr., Executive Secretary of the National Security Council; S. Everett Gleason, Deputy Executive Secretary of the National Security Council.

General Vandenberg inquired whether a simple unilateral statement would not do this.

Admiral Sherman said, and Mr. Dulles agreed, that to be effective such a statement would require accompanying action.

General Bradley referred to rumors of Pentagon blocking of the Japanese peace treaty. Why JCS papers should be made public, the Chiefs could not understand. He emphasized the purely advisory role of the JCS and said their military advice did not have to be accepted. He said their concern was as to (a) the necessity of a free hand in the Ryukyus; they felt the State Department was depending too heavily on the Japanese Government in this matter; (b) the need to defer the treaty until conclusion of the Korean conflict, so as to permit freedom to operate during the period the fighting continues. He added that he understood from Mr. Dulles that this problem was covered in the proposed arrangements.

Mr. Dulles said that it was not his view that the Pentagon was holding up a treaty; he was merely reporting the views of certain quarters in Japan and certain British representatives.

He said the draft treaty and agreements met the JCS view 100% as to the Ryukyus.

General Bradley asked whether the U.N. trusteeship should not be a strategic trusteeship so as to provide safeguards against a veto of our actions.

Mr. Dulles said, to the contrary, a strategic trusteeship would involve the veto.

General Bradley asked whether the trustee area would not be open to inspection by anyone who wanted to come in and look.

Mr. Dulles said there could be closed areas.

As to timing in relation to the Peace Treaty, Mr. Dulles pointed out that what we have in mind is that we would get the treaty signed this summer, but that it can't come into force for nine months with any country without our consent and it can't come into effect with respect to the U.S. until ratifications are exchanged. If the treaty is signed this summer, we would not ask the Senate to consider it until the January 1952 Session. It would probably be better to get it out of the way during the first quarter of 1952, because later the country will be involved in a Presidential election. We also will have an agreement with the Japanese Government drawn up in a form Johnson and General Magruder thought adequate, but the agreement could be changed, if necessary. We could specifically say that if the treaty comes into effect before the fighting ends in Korea, then the Japanese will give us the same rights and facilities we now have.

Mr. Dulles made observations along the following lines: (a) his desire to be sure that the treaty plans meet the JCS requirements; (b) the precariousness of the situation in Japan and the Western Pacific; (c) the wholehearted commitment to our cause by Japan which we have had and the fact that the situation can change very rapidly; (d) the elements of crisis due to (1) the relief of MacArthur, (2) the Russian buildup and intensification of the war of nerves, (3) the apparent growing orientation of the Chinese mainland régime toward Moscow control, (4) increased Russian activity at Sakhalin, (5) use of repatriated Japanese soldiers as potential threat to Japanese security.

He emphasized: (a) the need for the United States to consolidate its position without delay; (b) the danger in waiting until the situation changes; (c) the worthlessness of a treaty brought off in a situation where we would have "to pound our fists"; (d) the concentration in the U.S. of responsibility in Japan where there is no middle ground between success and failure for us; (e) the imminence of the chance to strengthen our position in the whole Pacific by bringing off this treaty. He asked the confidence of the JCS in the project. He said we would have to get out of Japan with credit or great loss, and he thought we had in our grasp a great success.

General Bradley noted the potential danger in the circumstance that Russia, after refusing to sign the treaty, might seek to exercise its rights of occupation before the restoration of U.S. strength sufficient to protect Japan. He said that by the middle of May the U.S. would have two divisions instead of the four considered as a minimum for security, and these won't be fully effective until September.

Mr. Dulles reemphasized that the treaty was still a year off.

General Collins noted the reservation of U.S. rights during the term of the Korean fighting. He asked whether this would serve in event of extension of operations into Manchuria or the Chinese littoral.

Mr. Dulles said it would be well to amend the language to take care of this contingency. He noted this part had been written by Defense representatives, but that the situation had changed since the language was drafted.⁵

Admiral Sherman asked whether the contemplated status of the Ryukyus and the Bonins would be like that of the former mandated areas and whether, when trustee, this territory would be detached from Japan. Mr. Dulles answered in the affirmative.

⁵ Reference is to draft Addendum to Agreement Between the United States and Japan for Collective Self-Defense. See Annex III to the letter of February 10 from Ambassador Dulles to Mr. Acheson, p. 876.

The Papers of John Foster Dulles, Princeton University

Memorandum by the Consultant to the Secretary (Dulles)

[WASHINGTON,] April 12, 1951.

A little after 11 p. m. Tuesday, April 10th, Secretary Acheson phoned me at my house saying that he wanted to see me on an important matter. I told him that I had just gone to bed but that I would get dressed and come over to see him. I did so and met with him at his Georgetown residence at about 11:30. Secretary Acheson told me that the President had decided to relieve General MacArthur of all of his commands, that it had not been intended to announce this until the next day, but that the story had leaked, making it necessary to make an immediate announcement now set for 1 a. m. Wednesday, April 11th.

This information came as a complete shock and surprise to me. I had not been consulted in any manner nor had I received any intimation that this decision would be taken.

I expressed to Secretary Acheson my great regret and my feeling that even though the present strains and lack of confidence made the action inevitable in the interest of good government, I felt that the responsibility for bringing this situation to pass lay very largely with the Administration and particularly with the Joint Chiefs as they had not found a way to give General MacArthur or the public the impression that General MacArthur's thinking was a factor in decisions. I was sure that General MacArthur himself doubted this, as he told me he generally received only terse instructions and he probably felt that the only way to make his thinking an element in policy making was through indirect channels. I said that where General MacArthur had been fully consulted, as in relation to the Japanese Peace Treaty, there was complete harmony and not the slightest evidence of disposition on General MacArthur's part to make private utterances through correspondence or through newspaper correspondents.

I said that the abrupt dismissal of General MacArthur would undoubtedly have a very serious effect upon Japanese public opinion and upon the major objective which I had been seeking, namely the committal of the Japanese nation to the cause of the free world.

Secretary Acheson said that he realized this very serious aspect of the matter and that was why he had gotten in touch with me at this midnight hour, so that I would begin to think of how that phase of the matter could be dealt with. He himself thought it imperative, as did the President, that I should promptly go to Tokyo to confer with General Ridgway who was quite unfamiliar with the Japanese Peace Treaty problem and to confer with and reassure Japanese leaders of our intentions. He said that as regards the Japanese Peace Treaty and

related matters the President was more than ever determined to proceed strongly and vigorously and he felt that from now on it would be more and more a matter of civilian direction and that we would have less difficulties with the Pentagon.

I told Secretary Acheson that I would want to think this over and also talk it over with some of the Republican leaders. Secretary Acheson said that he wished I would make up my mind first before talking as he was afraid I might be dissuaded. I said I felt I must first get other counsel and advise [*advice*], although in the last analysis I would make up my own mind in the light of what I conceived to be my particular duty in the matter.

I returned home a little after midnight.

On Wednesday morning, April 11th, on arriving at my office at the State Department, I promptly called Governor Dewey at Albany. I told him what the situation was and what my problem was. He expressed very strongly the view that I was the only person who could perhaps salvage the situation in Japan and that this was of such paramount importance that I should make the effort even though there might not be a very good chance of success. He suggested, however, that it might be better for me to wait a day or two to announce any decision so that, in the first wave of popular resentment against the President's action, I would not seem to be too much identified with that action or to be trying to pull the President's chestnuts out of the fire.

I thanked the Governor for this advice, saying that in the end I would have to be guided to some extent by the urgency of letting it be known in Japan that I was promptly coming there.

At 10 a. m. I met in Senator Smith's office with him and Senator Wiley.¹ Senators Taft² and Millikin³ had expected to attend but had gone over to the House to a meeting called by Representative Martin. Senators Wiley and Smith themselves left shortly to attend this same meeting saying that one of the resolutions suggested for adoption was one calling upon Senator Cooper⁴ and me to resign from any association with the Administration.

I pointed out that my present relationship to the Administration was not of a general character but related to the negotiation of a Japanese Peace Treaty and related Pacific matters; that I felt that the situation created by the MacArthur action was very precarious; that I was perhaps the only person who had sufficient prestige in Japan

¹ Alexander Wiley of Wisconsin.

² Robert A. Taft of Ohio.

³ Eugene Millikin of Colorado.

⁴ Former Senator John Sherman Cooper of Kentucky, then a consultant to the Secretary of State.

to hold the situation in line and the question was whether or not it was my duty to try to do so. Both Senators Wiley and Smith indicated that they felt I should follow what I felt to be my duty in the matter.

From 11 a. m. to 1 p. m. I was in conference at the Pentagon with the Joint Chiefs of Staff (General Bradley, General Collins, Admiral Sherman and General Vandenberg) and their advisers, in relation to the Japanese Peace Treaty and related security pacts.

At 2 p. m. I met at Senator Alex Smith's office with Senators Taft, Millikin and Smith. I reported, in answer to questions put by the Senators, my own lack of knowledge or consultation until the decision had been made and communicated to me at midnight the night before. I expressed my views as to the incapacity of the Joint Chiefs of Staff to work with a high-strung person of great moral stature and sense of the dramatic such as General MacArthur was and I felt this was the root of the trouble. We discussed the vital position which Japan could play in the Pacific and the danger if it fell under hostile communist control, since it would mean that the communist power would no longer be land-bound but would be coupled with a great sea-faring power which would carry danger to all the Pacific islands and close to our western shores. We discussed the risk that relations with Japan might deteriorate and Japan elect to attempt to play the role of "neutral" which would mean a vacuum into which Soviet Communism would almost surely move.

In further answer to questions, I stated that I thought there was a chance that my own personal position in Japan, gained as a result of my two recent trips, and my position in relation to the Peace Treaty, was such that I could give some reassurance to the Japanese that the withdrawal of General MacArthur would not mean a weakening in the determination of the United States to stand strong against communism in Asia and to hold the off-shore island chain.

Senator Taft asked whether I was there merely to inform them or whether I was seeking advice. I said that primarily I was reporting to them what the situation was and what my problem was, but that I always welcomed advice from responsible persons.

Senator Millikin then said that he saw that the situation permitted me to make a dramatic move which would be greatly to the advantage of the Republican Party. He felt that it was an outrage that, in view of the importance of the Japanese situation and my responsibility in regard to it, action gravely jeopardizing the desired result had been taken without any prior consultation with me. He said, however, that what had happened had happened and the problem now was what to do about it and that in this connection he felt that partisan consideration

must be ignored and that the stakes were so vital that only the welfare of the nation should be considered. He felt that this welfare required that I should make at least the best effort I could to retrieve the situation in Japan, provided, however, I was assured in the most positive terms that it was in fact the determination of the United States not to adopt a policy of appeasement in Asia but to proceed vigorously with the Japanese Peace Treaty along the lines concurred in which [*with?*] General MacArthur and to attempt to hold Japan and the other Pacific island countries against the spread of communism. I must not, he said, in this respect become a "fall guy".

Senator Taft then said, "I agree" and Senator Smith also expressed his concurrence.

I thanked them for their advice and for the broad, patriotic nature of their standpoint. I said that I had been deferring response to a request from the President to see him until after I had their advice; that I would now go to see the President and, if I obtained from him positive assurances as to our general policy in Japan, and the Pacific, I would indicate my willingness to go to Japan for the purposes indicated.

At 4:30 p. m. April 11th I met with President Truman and Secretary Acheson at the White House. The President urged me very strongly to go at once to Tokyo to reassure the Japanese leaders as to our intentions regarding the Japanese Peace Treaty and to confer with General Ridgway in this respect.

I told the President that Secretary Acheson had led me to anticipate this request and that I had accordingly conferred with several Republican leaders and, while they all deeply deplored the action taken with reference to General MacArthur and felt that it greatly jeopardized our position in Japan and the Far East generally, nevertheless their disposition was to feel that the Japanese position was so critical and vital from the standpoint of the United States and the free world that if there were any chance that I could help salvage something out of the situation, I should be prepared to do so. It was, however, their feeling, which I fully shared, that I should not lend myself to this mission unless I was satisfied that it was in fact the determination of the Administration to proceed with the Japanese Peace and related matters vigorously and strongly along the lines already shaped in consultation with General MacArthur, and that it was not our intention to appease the communist aggressors or to abandon the Asiatic off-shore island chain. I said to the President that I would not, if I could help it, be a "fall guy" in this matter.

The President asserted in the most emphatic way that there was absolutely no intention to alter our policy toward appeasement and that so far as related to the Japanese Peace Treaty and the related

matters of defense of the Philippines, Australia, New Zealand, etc., he was prepared to back me up one hundred percent. He was most emphatic in both words and manner. Secretary Acheson strongly concurred.

After some further elaboration I said that under the circumstances I would be prepared promptly to go to Tokyo; that I had no confidence that it would be possible to repair the damage that had been done, but I would do the best I could as a matter of patriotic duty.

The President and Secretary Acheson expressed most warmly their appreciation of my willingness to go and praised the patriotic attitude of my Republican friends whose views, I made clear, weighed very strongly with me.

Thereupon, I produced a brief draft of a statement that might be issued from the White House. A few minor changes were interlined by the President and by the Secretary of State and it was given to Mr. Short ⁵ for immediate issuance. A copy is attached.⁶

At about 5 p. m. Wednesday, April 11th, I telephoned Governor Dewey for the second time, reporting to him my talk with Senators Taft, Millikin, and Wiley and Smith and my White House talk. I said that in view of the concurring advice received from the Senators and in view of the critical state of affairs in Japan, I had authorized an immediate release of the statement that I was going to Japan. The Governor said that, while he thought from my personal standpoint it would have been better to have waited 24 hours, he agreed that the decision was probably wise.

JOHN FOSTER DULLES

⁵ Joseph Short, a secretary to the President.

⁶ For text, see Department of State *Bulletin*, April 23, 1951, p. 654.

The text of Ambassador Dulles' statement, issued upon his departure for Tokyo, April 13, is printed *ibid*.

694.001/4-1251 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

Tokyo, April 12, 1951—3 p. m.

Topad 1792. For Dulles from Sebald. Re your 1441 Apr 9.¹ Although I have not raised with Jap matter of sending Jap representative to Washington, I believe it highly unlikely that any Jap sufficiently apprised of treaty matters cld be found or spared at this time for suggested assignment. In any event such Jap representative wld perforce be required on almost all questions request instructions from

¹ *Ante*, p. 967.

his govt, a procedure which wld be time-consuming and obviously unsatisfactory. We believe it wld be preferable continue negots locally, if necessary attributing Brit viewpoints as received from you together with combined recommendations regarding appropriateness Brit position and desirability Jap make suitable concessions to ensure UK participation.

I also question advisability placing Jap in pseudo-negotiating position vis-à-vis Brit whose draft presumably is for our information only and not submitted for discussion with Jap. In this connection, as Jap have copy of our tentative draft, any changes subsequently suggested therein cld with definiteness be attributed to Brit or other allied pressure and responsibility wld therefore not rest solely upon US.

Another related point militating against presence Washington suggested Jap representative is fact that his assignment to overseas agency wld violate terms of reference under which agencies operate and assurances limited functions publicly given numerous friendly govts including FEC.

SEBALD

694.001/4-1251

*Memorandum of Conversation, by the Deputy to the Consultant
(Allison)*

SECRET

[WASHINGTON,] April 12, 1951.

Participants: Sir Oliver Franks, British Ambassador
Mr. F. S. Tomlinson, Counsellor, British Embassy
S—John Foster Dulles
John M. Allison
BNA—Livingston Satterthwaite

Sir Oliver called by request and was given an *Aide-Mémoire* (copy attached)¹ answering the March 30 *Aide-Mémoire*² from the British

¹ Mr. Dulles had drafted this *aide-mémoire*. It follows in part:

"2. As the Government of the United States does not recognize the Central Peoples' Government of China it would not find it possible to invite that regime to participate in negotiations with it for the conclusion of a Peace Treaty with Japan. The Government of the United States accordingly does not see how, in so far as it is concerned, the views of His Majesty's Government of the United Kingdom could be implemented.

"3. As regards Formosa it is noted that the declaration of Cairo provided, not for the cession of Formosa 'to China', but that 'Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China'. In view of present differences of opinion as to what now constitutes the 'Republic of China' and as to the bearing upon the Cairo declaration of intervening events, it is the view of the Government of the United States that Japan, by the peace treaty, should renounce all rights, titles and claims to Formosa and the Pescadores, but that Japan should not itself be brought into the highly controversial question of what now is or should be the status of Formosa and the Pescadores, nor should the treaty be looked upon as the vehicle for the solution of this question." (Lot 54 D 423)

² See footnote 1, p. 953.

Government which stated that the Chinese Communist regime should be invited to participate in the Treaty negotiations and that Formosa should, by the Japanese Peace Treaty, be ceded to China. Mr. Dulles pointed out that it was obviously impossible for the United States Government to have any dealings with the Chinese Communist régime but that should the United Kingdom Government for its part deem it advisable to furnish the Chinese Communist régime, with which it had official relations, a copy of the United States draft Treaty, the United States for its part would interpose no objections.³ However, the United States did wish to make clear that if the British Government should decide to take such action, the United States would hope that this would not result in any undue delay and that the British Government would not request the United States to delay action on the grounds that the Chinese Communists had not had adequate time to comment.

With respect to Formosa, Mr. Dulles emphasized the view of the United States that a Treaty with Japan should do nothing which would of itself and suddenly eliminate all international concern over the disposition of Formosa; nor did it appear wise to the United States Government that Japan by a Treaty should be compelled to take action which might in fact result in Japan itself becoming embroiled in a controversy or being given an opportunity to claim that the "China" to which Formosa had been turned over was not the "China" to which the Japanese had intended, by the Treaty, Formosa should be turned over. Mr. Dulles then reviewed at some length the United States general position with regard to Formosa and the undesirability of turning over to a Communist regime the island and people of Formosa without some attempt being made to determine the desires of the people of that island. Mr. Dulles also referred to the possibility that it might be desirable in some manner to provide that any possible future disposition of Formosa might recognize a considerable degree of autonomy and might impose certain international obligations respecting the maintenance of neutrality by the island and the continuance of the present mutual and profitable trade relations with Japan.

Mr. Dulles then stated that he understood that Sir Oliver had been disturbed about the somewhat exaggerated and sensational press stories which had been appearing with reference to the British position regarding Communist China and Formosa and stated that he too thought

³ In a memorandum of a conversation which he held on April 11 with F. S. Tomlinson, Counselor of the British Embassy, Mr. Allison had reported in part that the United Kingdom, after considering "Mr. Dulles' request for specific suggestions as to how Chinese Communists participation might be brought about" had decided that "it was probably best for the United Kingdom Government to transmit a copy of the United States draft to the Chinese Peoples Government." (694.001/4-1151)

it was unfortunate that there had been so many press stories. However, Mr. Dulles did point out that the stories probably would not have been so sensational and exaggerated had they not appeared at a time when there was widespread feeling that differences between the United Kingdom and the United States had in fact become serious and of concern to a large number of people.⁴

⁴ In his memorandum of a conversation held April 14 between himself, Sir Oliver Franks, and Mr. Rusk, Mr. Allison stated in part that Sir Oliver had contended that although Mr. Dulles had said that the United States would have no objection should the United Kingdom deem it necessary to give Communist China a copy of the draft peace treaty, the official Departmental press statement on the general subject [of participation by the People's Republic in the peace negotiations] had not in any way hinted at this and the [American] press had been able "to play up the story as a complete and flat rejection of everything the United Kingdom had requested." (Lot 54D423)

Sir Oliver's reference may have been to discussion of the issue at the news conference held by Michael J. McDermott, Special Assistant to the Secretary for Press Relations, on April 11. According to the Department's transcript, Mr. McDermott under questioning repeatedly refused to state that the Department was rejecting British proposals regarding participation of the People's Republic in the negotiations, nor did he indicate that the Department was in any way acceding to these proposals. (Department of State, "Daily News Conferences", 1951, volume VI)

Tokyo Post Files : 320.1 Peace Treaty

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING APRIL 17, 9:00 A. M.¹

British Draft

Ambassador Dulles suggested that it might be advisable to arrange for Mr. Iguchi to go over the British treaty draft.² He asked Mr. Fearey to take care of this, not giving Iguchi a copy of the draft but letting him take notes and asking him to provide the Mission with the Japanese Government's views on the draft before the Mission's de-

¹ The usual list of persons is not included with the source text. Accompanying Mr. Dulles on this trip were Earl D. Johnson, Colonel Babcock, and Mr. Fearey. The party arrived in Japan April 16.

² A British draft dated April 7 had been handed to an officer of the Embassy in London on April 9. He had been informed, in part, as follows:

"(a) Text of draft airpouched Washington Saturday [April 7] and should be presented to Dept shortly by Brit Emb. Text given Comwlth HCs in London today and will probably be given Fr and Neth Govts next week. No present thought of giving text to USSR or CPG, or to Philippines, Burma or Indonesia.

"(b) Out of deference to Dept's known objection, all reference to limitation ship-building capacity omitted; this is of course subject to possible objection by Comwlths especially Austral and NZ." (Telegram 5331 from London, April 9, London Post Files, 350 Japan 4/9)

Record of the exact date of delivery of the draft to the Department has not been found in the files; a copy of the draft is included in Lot 54 D 423.

parture. It seemed desirable, Ambassador Dulles said, to have Japan share some of the responsibility for dealing with the British proposals. At least we should know how they feel about those proposals as a factor in developing our own attitude. The British draft probably embodies all the detailed material which any of the Allies are likely to bring up.

Reparations

Ambassador Dulles said that he planned to take up with Mr. Yoshida the possible desirability of reparations from current production. He said that he was giving thought to this possibility again in the belief that reparations on the Italian Treaty model might help to reopen channels of trade with the Philippines, Malaya, Burma and other reparations claimant countries. It seemed doubtful whether these channels could be satisfactorily reopened unless the trade was on a basis sufficiently advantageous to those countries to appear in the guise of reparations. Otherwise bitterness might be such that iron ore from the Philippines and other essential materials might be cut off. If, on the other hand, Japan does a portion of its business with these countries for a limited period on a reparations basis, and raw materials start flowing into Japan from the reparations claimant countries and manufactures out once more, the result may be an overall advantage to Japan.

Ambassador Sebald asked if such a program might not actually stifle trade by injecting a disturbing element into normal trade channels. Ambassador Dulles said that this might be the case but he did not think so. The program would last only five years. There are, he said, two possible difficulties to consider. The first is the problem of possible economic disturbance, mainly in the receiving country, where the government would be receiving and marketing cheap Japanese manufactures in competition with domestic manufactures and normal trade. The second is possible political disturbance resulting from the creation of hopes in the recipient countries for larger quantities of reparation than are likely in fact to be received. These factors must be weighed against the good which might result from Japan's recognition of its obligation to make further reparation.

British Attitude

Ambassador Dulles next raised the question of whether Japan would be willing to proceed on a treaty without the UK if necessary. He inquired whether it would be premature to raise this question with the Japanese, possibly unnecessarily frightening them, and Ambassador Sebald said that he thought it was. He pointed out that we were not yet at an impasse with the British. Ambassador Dulles agreed, adding that our difficulties with them were not of a momentous char-

acter and, if we could assume reasonable good will on both sides, should be reconcilable. He said that he believed that a team of people in the UK Foreign Office had been working on the British draft for some years, as had been the case in the State Department, and that this long and detailed draft was the logical result of such prolonged consideration. He said that he had never expected that the final treaty would be as short as our original proposal and that, desirable as a short and general draft was, we would not want to sacrifice agreement with the British and others on a treaty simply to preserve a literary and artistic triumph. If the British wish to include detailed provisions which will add to the length of the treaty but to which the Japanese and the U.S. do not have substantive objections it might be desirable to accept the British proposals.

Conversations with Mr. Yoshida

Ambassador Sebald said that his conversations with Mr. Yoshida might fall into two parts. The first might be a private and confidential talk in which he would provide Mr. Yoshida with background information on American Far Eastern policy, not related particularly to the treaty, in order to reassure Mr. Yoshida and help to stiffen him up. It would seem reasonable to suspect that the bolt from the blue of General MacArthur's relief had aroused fears that the U.S. planned to throw over Japan in some way. Ambassador Dulles said he intended to inform Mr. Yoshida that the U.S. does not shift its policies in this way, that U.S. policies toward Japan have firm bi-partisan support and are unchanged. His purpose would be to convince Mr. Yoshida that U.S. relations with Japan, at least as far as the U.S. is concerned, are on a solid basis. Ambassador Dulles raised the question of whether it might not be advisable for General Ridgway to be present at this first conversation. He noted that having just arrived from Washington he was in a stronger position than General Ridgway to provide assurances regarding overall U.S. policy, but that was a matter General Ridgway was going to have to go on living with in the future. The meeting would consist of two Americans saying that the U.S. was a country which Japan can dependably live with.

Mr. Johnson said that General Ridgway was not General MacArthur and that it would be a mistake for him to act as if he were General MacArthur. He did not believe that General Ridgway planned to stay aloof from the Japanese people to the extent that General MacArthur had. Unless we plan to cast American leaders in the aloof position of the Emperor we must sooner or later begin to develop our relations on a more equal basis, and General Ridgway was the man to advance this process.

Ambassador Sebald agreed that it would be desirable for General Ridgway to be present at the meeting but said that it was first neces-

sary that Mr. Yoshida make a courtesy call on the General. It was agreed that the suggestion should be made to Mr. Yoshida that he do so that evening, permitting the conversation of Ambassador Dulles, General Ridgway and Mr. Yoshida to be held the following morning. Ambassador Dulles and members of the Mission would then meet with Mr. Yoshida and Mr. Iguchi in the afternoon to discuss treaty problems.³

Ambassador Dulles next said that he wished to obtain the fullest and most expert information possible as to the nature and extent of Japanese anxieties arising from the change in command. Colonel Babcock said that the Japanese have fears but Mr. Yoshida very likely would not express them. Ambassador Sebald said that when he called on Mr. Yoshida directly following General MacArthur's removal the Prime Minister had said that he was frankly concerned but he did not say why. It was agreed that a briefing session with appropriate Headquarters' officials should be set up for Ambassador Dulles that afternoon in order that he might become impregnated with what seemed to be Japanese feelings on current issues.⁴

At this point General Ridgway entered and, after an exchange of preliminary comments, Ambassador Dulles began an extended briefing on the background of the treaty problem.

³ In a memorandum of his conversation held later on April 17 with Mr. Katsuo Okazaki, Chief Cabinet Secretary, Mr. Sebald stated in part that arrangements were then made for Prime Minister Yoshida to call on General Ridgway late in the afternoon of the 17th and for the General, Mr. Yoshida, and Mr. Dulles to meet at 11:00 a. m. the following morning (Tokyo Post Files: 320.1 Peace Treaty). No memorandum of either conversation has been found in Department of State files. For the memorandum of a meeting on peace treaty matters held at 3:00 p. m. on April 18 with Mr. Yoshida, Mr. Dulles, and other officials present, see p. 985.

⁴ A memorandum of April 17 on this subject, prepared for Mr. Dulles by Mr. Spinks, is enclosed with a letter of April 21 from Ambassador Sebald to U. Alexis Johnson, neither printed. (794.00/4-2151)

Tokyo Post Files : 320.1 Peace Treaty

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs

SECRET

[Tokyo—1951.]

MINUTES—DULLES MISSION STAFF MEETING APRIL 18, 9:30 A. M.

Ambassador Dulles' Speech

Ambassador Dulles suggested that Mr. Johnson sound out General Ridgway on whether he would consider it appropriate to be present during his April 23 speech.¹ Ambassador Sebald said that he believed

¹ For text of Mr. Dulles' speech, "Peace without Fear," delivered in Tokyo April 23, see Department of State *Bulletin*, May 7, 1951, p. 726.

that General Ridgway's attendance might be undesirable, the General being left to sit on the stage as Exhibit A without any clearly defined function. Ambassador Dulles recalled that General Marshall when Secretary of State had sat on the platform when Mr. Dulles had made an address in Paris some years ago in order to give weight to what Mr. Dulles said, and he did not see why General Ridgway should not be present for the same purpose. Ambassador Dulles further stated that he believed Mr. Yoshida and a number of other distinguished Japanese should also be present.

Mr. Johnson said that he also was lukewarm on the question of General Ridgway's attendance, believing it might be preferable for General Hickey² or General Fox to be present. Colonel Babcock said that he believed General Ridgway should be allowed to feel his way in establishing contact with the Japanese, determining how far and how fast he wished to go. Ambassador Dulles said that he agreed but believed that if General Ridgway wished to break with tradition and mix around more this might be a good occasion to begin, and that it therefore seemed appropriate for Mr. Johnson to sound out the General on the question. He said that he probably would not have a draft of his speech before Saturday and that it therefore might not be possible to clear the final draft with Washington.

Addendum to U.S.-Japan Bilateral Treaty

Ambassador Dulles said that Mr. Yoshida should be informed that we will want to suggest some slight changes in the addendum regarding the Korea operation.³

Shipping Conventions

Ambassador Dulles said that he had had lunch the previous day with Senator Magnuson, who had said that he believed that Japan should undertake in the treaty to sit down after the treaty had come into effect and negotiate regarding its participation in international shipping conventions. Ambassador Dulles said that this seemed a reasonable proposal and that consideration should be given to including such a provision in the treaty draft.

Seals

Ambassador Sebald mentioned that the Japanese Government had agreed to consider that the exchange of letters between Ambassador Dulles and Prime Minister Yoshida regarding post-treaty fishery relationships also covered sealing.

Treaty Signing Ceremony

Ambassador Dulles raised the question of where the treaty signing ceremony should be held. Ambassador Sebald said that he believed it

² Maj. Gen. Doyle O. Hickey, Chief of Staff to SCAP.

³ Reference is to draft Addendum to Agreement Between the United States and Japan for Collective Self-Defense. See Annex III to the letter of February 10 from Ambassador Dulles to Mr. Acheson, p. 876.

should be in Tokyo. Ambassador Dulles said that he understood that Mr. Clutton had advised his Government that if the ceremony were held in Tokyo it would poison relations between the Allies and Japan for the future. Ambassador Sebald said that he had talked the matter over with Mr. Iguchi, who had indicated that the Government had no objection to Tokyo as the site. Ambassador Sebald said that Mr. Clutton had stated that he had learned second or third hand that Mr. Yoshida opposed Tokyo as the site but that he (Ambassador Sebald) had run the matter down and learned that the Japanese Government thought the idea of Tokyo an excellent one. Mr. Clutton had also said he had reason to believe that Yoshida would refuse to sign the treaty, running in a caretaker cabinet at the last minute to do so. Mr. Iguchi, however, had informed him that this was not true. The impression in some quarters to the contrary had arisen from possible difficulties on the question of who should head the delegation, since the Speaker of the Lower House and the President of the Upper House outranked Mr. Yoshida as Foreign Minister. Ambassador Sebald had suggested that Mr. Yoshida head the delegation as Prime Minister. Mr. Iguchi had stated that Mr. Yoshida had vociferously denied ever stating that he would refuse to sign the treaty, pointing out that he had negotiated the treaty and it would be absurd for him later to refuse to sign it.

British Delaying Tactics

Ambassador Dulles cited several examples of what appeared to be deliberate delaying tactics by the British on the Japanese treaty and related issues. Representatives of the Foreign Office and Board of Trade and a British legal expert would be in Washington to go over the U.S. and British drafts next week, following which Ambassador Dulles might go to London. It would be necessary before his departure to find out from the President whether he should inform the British that we intend to proceed without them if necessary.

Conversation with General Ridgway and Mr. Yoshida

In response to Mr. Johnson's question as to what Ambassador Dulles planned to say at his meeting at 11:00 o'clock with General Ridgway and Mr. Yoshida,⁴ Ambassador Dulles said that he planned to emphasize that there had been no change in fundamental U.S. policy and that that policy, like the house which had withstood the earthquake, could now be considered firmer than ever. The only question was whether the Japanese remain equally firm following the dramatic events of the past week. The fact that the Mission is here and that the U.S. is pushing firmly ahead is convincing proof that the U.S.

⁴No memorandum of this conversation has been found in Department of State files.

has not altered its views. It is up to the Japanese to show that they are as solid as we. Ambassador Dulles said that he hoped to find out from Mr. Yoshida what the Japanese fears were and to get Mr. Yoshida's suggestions on the points he should hammer in his speech. Ambassador Dulles said he further expected to emphasize the esteem in which General Ridgway is held in the U.S. and the great confidence which the American people have developed in him as a result of his work in Korea. He also planned to inform Mr. Yoshida of the details of the bi-partisan backing of his Mission.

Finally, Ambassador Dulles said, he intended to point out the absurdity of an overall peace in the light of Mr. Malik's termination of the treaty discussions and other Russian actions. Talk of an overall peace is really a smoke screen sent up by Japanese who wish to attack the Government or who do not wish peace at all. Mr. Johnson suggested that it might not be advisable completely to burn our bridges behind us on the question of an overall peace. Although it appeared at present an unlikely possibility, it was conceivable that we might change our views on the desirability of an immediate peace settlement. In such circumstances it would be better if we had left ourselves in a position to blame Soviet recalcitrance for the further delay rather than British objections or other difficulties with our Allies. In other words, it might be advisable for us to leave ourselves at least a little room in which to turn around.

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by Mr. Robert A. Fearey of the
Office of Northeast Asian Affairs*

SECRET

[Tokyo,] April 18, 1951.

Subject: Japanese Peace Treaty

Participants: Prime Minister Yoshida

Mr. Iguchi, Vice Minister of Foreign Affairs

Mr. Nishimura, Chief of Treaty Bureau

Ambassador Dulles

Ambassador Sebald

Assistant Secretary Johnson

Colonel Babcock

Mr. Fearey

[Here follows that portion of the memorandum devoted to Mr. Dulles' résumé of the Mission's trip to the Philippines and Australasia.]

Ambassador Dulles then reviewed developments in regard to the treaty in Washington in the interval between his visits to Japan, including developments in respect to Soviet participation in the

treaty and the distribution by the U.S. during the last week of March of its tentative treaty draft. The United Kingdom, he noted, had also been working for some time on a draft, which it had presented to the U.S. Government about a week following presentation of the U.S. draft to it.¹ It was not thought feasible to provide the Japanese Government with a copy of the British draft but Mr. Iguchi and Mr. Nishimura had been shown a copy by Mr. Fearey the previous day. Ambassador Dulles told Mr. Yoshida that it would be helpful to the Mission in its discussions of the draft with the British to know in some detail how the Government felt about the draft, and that he hoped that he could receive its comments before his departure. He pointed out that the draft omitted any provision for the restriction of Japanese shipbuilding or other industries and said that the British Ambassador at Washington had made it clear that this omission did not mean that the United Kingdom had necessarily altered its views on this issue but had merely reserved its position.

Ambassador Dulles went on to say that the UK Government had raised the question of Chinese Communist participation in the treaty and had proposed that the treaty provide for the transfer of Formosa to "China". The U.S. realized that these problems would have to be dealt with eventually but hoped to avoid having the treaty held up by differences over extraneous issues. The U.S. did not yet know whether the British had raised these points simply for the record, to curry favor with the Chinese Communist regime, or to impede consummation of the treaty. It hoped to have more definite information on the British attitude shortly.

Ambassador Dulles said that he believed that his account showed that the U.S. had been working hard to advance the treaty. It intended to continue to do so. If it was the intention of the Japanese Government and people to hold steadfast to the line the U.S. had been discussing with it he believed that the matter could be brought to a successful conclusion. Difficulties remained but no great end is ever achieved without difficulty. The U.S. Government and people, without regard to party, are absolutely united in their intention to carry through to an early and just treaty. Progress achieved during the last sixty days, and the fact that this progress was continuing without regard to the change in the personality of SCAP, spoke for itself in this respect. Ambassador Dulles said that he did not know whether or to what extent Japan's determination to press ahead on the agreed line had been affected by General MacArthur's relief, nor did he know how the British position would develop, but the Japanese Government could be certain that U.S. views had not altered in the slightest.

¹ See footnote 2, p. 979.

Ambassador Dulles then said that he had two or three specific matters he wished to raise with the Prime Minister.

Reparations from Current Production—Ambassador Dulles recalled that during his previous visit he had suggested that Mr. Yoshida might wish to consider the possibility of reparations from current production on the Italian Treaty model. Japan would fabricate reparations goods from raw materials furnished by the recipient countries subject to the conditions that the reparations should not interfere with Japan's economic reconstruction or imposed additional burdens on other Allied countries. Ambassador Dulles said that he wished to suggest again that the Japanese Government consider whether it would be to its interest to make such an arrangement with countries which had been occupied by Japan and with which Japan normally traded. Probably only a small amount of reparation would ever be paid under the arrangement, as had been the case under the Italian Treaty, but two important advantages would be gained: the governments of the claimant countries would be relieved of having to take the decisive act of obliterating all their reparations claims, thereby probably committing political suicide, and the gesture of good will on Japan's part would facilitate the reopening of former channels of trade. If the Philippines, for example, were required finally to renounce further reparations in the treaty the resulting bitterness might cause them to cut off iron ore exports and other trade with Japan. It might be good business, therefore, for Japan to offer reparations subject to the conditions in the Italian Treaty. It would be a gesture on Japan's part more than anything else, permitting countries like the Philippines and Germany to save face and thereby facilitating the revival of trade with them.

Compensation—Ambassador Dulles recalled that the Provisional Memorandum discussed with the Japanese Government during his previous visit had contemplated that the treaty would provide compensation in blocked yen, not to exceed forty billion, for loss or damage to allied property in Japan. The Mission's discussions with other countries, particularly those with substantial reparations claims, had led it to conclude, however, that it would be better if this matter were dealt with voluntarily by the Japanese through domestic legislation instead of pursuant to a treaty requirement. A treaty requirement might give rise to the impression that the U.S. and countries with substantial properties in Japan were seeking to protect their interests while telling the people of the Philippines and other major reparations claimant countries that they could not have anything. Of course internal and external payments are quite different in their effects on the paying country's economy. But while economists understand the difference the public does not. The British particularly can be ex-

pected to be unhappy over this change in the U.S. draft. Ambassador Dulles noted that it had not been discussed with them or with other countries and it could not yet be stated whether the new formula would be generally acceptable.

Mr. Yoshida and Mr. Iguchi indicated that they agreed with the proposal and would undertake the drafting of the necessary legislation along the lines of the provisions in the Provisional Memorandum.

Addendum to Bilateral Treaty—Ambassador Dulles said that review of the addendum regarding post-treaty support through Japan for the Korea operation (addendum to the U.S.-Japan bilateral treaty) had indicated the need for certain changes. One of these was deletion of the phrase "in Korea", so that if hostilities spread to a wider area Japan could not claim that it was no longer bound by the understandings stated in the addendum—not that it was likely in fact to take that position. Ambassador Dulles said that he hoped to have slight variations of language in the addendum to show Mr. Yoshida before the Mission departed.

Site of Signing Conference—Ambassador Dulles asked Mr. Yoshida whether there were any views he might wish to express regarding the site of the treaty signing ceremony, possibly preceded by a short conference. Mr. Yoshida replied that he had no definite ideas on the subject. When Ambassador Dulles asked if he had any strong feelings against Tokyo as the site, Mr. Yoshida replied that he did not think so. Ambassador Dulles said that considering the generous nature of the settlement he did not see why the Japanese should object to Tokyo. Were the treaty a humiliating one a different situation would obtain. He said that the U.S. Government also had no definite ideas on the question.

Mr. Yoshida said that one question which had arisen in his mind was who should head the Japanese peace delegation if the signing were in Washington or elsewhere abroad. He said that he was not sure that he would head it, the matter being dependent in large degree on domestic politics. If he did not head the delegation, Mr. Sato, President of the House of Councillors, might be the right person. If the conference should be held in Tokyo, Mr. Yoshida stated he would be the principal Japanese representative.

Ambassador Dulles said that it was in some ways premature to be discussing this question but it was the sort of question that other governments raise. Wherever the ceremony is held, it was essential that the Japanese Government send a strong and responsible delegation. The Versailles Treaty had been signed by two virtually unknown Germans selected for the task at the last moment. Ambassador Dulles said that he gathered that Mr. Yoshida was willing to leave the U.S. with a certain amount of discretion in the selection of the conference site.

Administrative Agreement—Mr. Iguchi inquired whether the Mission had any comments on the Administrative Agreement. Mr. Johnson replied that clearance of the Agreement with the Joint Chiefs of Staff and the Secretary of Defense had not been completed when the Mission left Washington. Ambassador Dulles noted that the Japanese Government had forwarded certain suggestions for revision of the Agreement and that the Defense Department was also going to have certain suggestions for change in light of discussions with the NATO countries. He said that he was sure, however, that no matters of basic principle were involved. He understood that the Japanese Government had had certain suggestions regarding the right of the U.S. to name the supreme commander if trouble developed here, a right to which the U.S. attached considerable importance, but that he had been informed that the suggested change was only a matter of phrasing. Mr. Iguchi confirmed that no change of substance had been intended.

Referring to the question of publicity on the Administrative Agreement, Ambassador Dulles noted that our arrangement with the UK had never been published and suggested that the Agreement with Japan remain private between the two countries. Mr. Johnson also took the position that it should not be made public and this point of view seemed to be concurred in by Mr. Yoshida and Mr. Iguchi.

Subsequent Meetings—It was agreed that Mr. Yoshida's assistants would meet with members of the Mission as necessary during the remainder of the week, and that Ambassador Dulles and Mr. Yoshida would meet the morning of April 23 for final talks before the Mission's departure.

Lot 54 D 423

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, April 19, 1951.

DEAR MR. SECRETARY: I am transmitting herewith, for the information and consideration of the Department of State, the interim views of the Joint Chiefs of Staff, dated April 17, 1951, concerning the documents prepared by the Japanese Peace Mission. These include: the provisional Peace Treaty, together with a covering memorandum; the draft bilateral treaty with Japan, addendum thereto covering use of Japan as a base; administrative agreements supplementing the bilateral treaty; addendum to the administrative agreement; and the draft treaty on a Pacific Pact.

At this time I should like to point out particularly the views and recommendations in paragraphs 4, 5 and 6 of the memorandum of the Joint Chiefs of Staff. I will provide you with the final views of the Department of Defense on the various documents relating to a Japa-

nese peace settlement at a later date when the drafting of these documents has reached the stage of completion.¹

Faithfully yours,

G. C. MARSHALL

[Enclosure]

TOP SECRET

WASHINGTON, April 17, 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Japanese Peace Treaty.

1. This memorandum is in response to the request contained in your memorandum dated 4 April 1951² for such views and recommendations as the Joint Chiefs of Staff may at this time desire to make on the documents prepared by the Japanese Peace Mission.

2. Detailed analyses of these six documents are now in progress in the several Services. This task cannot be completed for at least several weeks and additional time may be required, depending upon the extent of the revisions which may be made by the Japanese Peace Mission as a result of Mr. Dulles' mid-month return visit to Tokyo, or for other reasons.

3. The following interim views of the Joint Chiefs of Staff have been formulated without benefit of these detailed analyses and without precise knowledge of any changes in the terms of the six documents.

4. The national policy as to Principles Controlling Arrangements for a proposed "Japanese Peace Treaty" is set forth in NSC 60/1, approved by the President on 8 September 1950,³ and the "Terms of Reference of Dulles Mission" as agreed to by the Departments of State and Defense on 8 January 1951.⁴ The Joint Chiefs of Staff strongly recommend that all security provisions therein be adhered to without relaxation.

5. The unfavorable attitude of the USSR to the proposed peace treaty with Japan, and, in particular, to the negotiations with respect to the security of Japan, is well known. The reaction of the USSR to steps implicit in the proposed peace treaty which would lead to the

¹ In the course of a memorandum of April 23 to Mr. Dulles, Mr. Allison interpreted this sentence to mean that only after the treaty and all other relevant documents had been finally agreed to by the various nations concerned, and completed papers drawn up, would the JCS comment. Mr. Allison stated that the JCS would then have the opportunity of rejecting whatever they disliked, and that it was difficult to foresee how under such conditions any internationally agreed upon documents could ever be obtained. (694.001/4-2351)

² Not found in Department of State files.

³ This directive was in the form of a joint memorandum, dated September 7, from the Secretaries of State and Defense to the President. It was approved by him September 8 and circulated that day as NSC 60/1. It is printed in *Foreign Relations*, 1950, vol. vi, p. 1293.

⁴ See enclosure 2, as annotated, to the letter of January 9 from Mr. Acheson to Secretary Marshall, p. 788.

rearmament of Japan cannot be foretold and might well involve the employment of armed forces.

6. It is United States policy to press forward to conclude a peace settlement with Japan as soon as possible. The Joint Chiefs of Staff, from the military point of view, believe that a satisfactory treaty of peace with Japan should be signed at an early date. At the time the treaty is agreed to, however, the date of its coming into effect must, for cogent military reasons, be determined in the light of the world situation generally, and specifically the situation in the Far East. In this connection, it should be noted that the Joint Chiefs of Staff agreed to the terms of reference of the Dulles Mission with the understanding that they were a further implementation of the principles in NSC 60/1, and with the understanding that the Dulles discussions would not involve final commitments by the United States Government without further consideration, as appropriate, by the Joint Chiefs of Staff.

7. The following are general comments on certain of the six specific documents submitted by the Japanese Peace Mission.

8. The provisional text of a Japanese peace treaty.

a. This draft treaty appears to be quite satisfactory with respect to the granting to Japan of its sovereignty:

b. If the USSR, or if other nations, fail to sign the treaty, the effect would be to leave Japan in a continued state of war with those nations. In such eventuality, those nations would, under the "Terms of Japanese Surrender," have a presumptive right to occupy Japan. The risk that the USSR might take such action would, in all probability, increase as arrangements for Japan's rearmament become firm. It is therefore essential that the proposed treaty not come into effect until the divisions which are to constitute the United States garrison forces are in place in Japan;

c. The Joint Chiefs of Staff, from a military point of view, must insist that the terms of a Japanese Peace Treaty "must secure to the United States exclusive strategic control of the Ryukyu Islands south of latitude 29° north. Marcus Island, and the Nanpo Shoto south of Sofu Gan," as directed by the President on 8 September 1950;

d. The proposed text, which deals with the matters of Japan's right to self-defense and its sovereign rights as to security, adequately meets the minimum vital security provisions in the President's directive of 8 September 1950. The explanatory comment appearing in a footnote to the text, however, is objectionable in that it implies the possibility that future international negotiations might result in impairing the rights of Japan to self-defense against external attack; and

e. In any event, the proposed peace treaty must not be permitted to become effective without the coming into effect simultaneously of a bilateral United States-Japan treaty of security.

9. Draft bilateral treaty with Japan.

a. The terms of the draft bilateral treaty in general appear to meet the requirements of the President's directive of 8 September 1950;

b. As in the case of the proposed peace treaty, it is essential that the draft bilateral treaty not come into effect until the divisions which are to constitute the United States garrison forces are in place in Japan and until the United States is exercising its rights as to base areas, installations, and facilities and

c. No final approval of the terms of the draft bilateral treaty should be made until its implementing documents, the Administrative Agreement and Addendum thereto, together with their detailed annexes of facilities, areas, and services, are approved.

10. Addendum to agreement between the United States of America and Japan for collective self-defense made pursuant to the treaty of peace between Japan and the Allied Powers and the provisions of Article 51 of the Charter of the United Nations. The Joint Chiefs of Staff, from the military point of view, find the text of the proposed Addendum to be unacceptable for the following reasons:

a. It assumes that the Japanese peace treaty will become effective prior to the termination of hostilities in Korea;

b. The Joint Chiefs of Staff view with concern the fact that the basis for the Addendum is solely the United Nations resolution of 30 January 1951 concerning aggression in Korea. Current developments in the United Nations do not justify reliance upon that body for support of possible necessary future military action in the Far East; and

c. It is unduly restrictive with respect to military operations in the Far East because:

- (1) The requirement on Japan is limited to a grant of permission by that country to the United Nations to support United Nations forces in Korea through Japan;
- (2) It fails to take cognizance of the possible extension of hostilities between United Nations forces and communist forces into areas of the Far East other than Korea; and
- (3) It also fails to take cognizance of possible unilateral action by the United States (not under United Nations aegis) in military operations in the Far East, including the mainland of China (including Manchuria), Formosa, the USSR, and the high seas.⁵

⁵ At the conclusion of the paper cited in footnote 1 above, Mr. Allison stated:

"In reading the Joint Chiefs' comments and studying their implications it is difficult not to conclude that their basic desire is to force delay in the coming into effect of any Japanese Peace Treaty and that one of the methods by which they hoped to secure this delay is by the creation of difficulties in the conclusion of mutual security arrangements with Australia and New Zealand which it is recognized is a condition precedent to obtaining the consent of those countries to the United States draft of a peace treaty with Japan.

"In my opinion the difficulties between the State and Defense Departments are of a fundamental character and an effort should be made to resolve them at once. I am afraid that in the past apparent difficulties have been resolved by the use of language which glossed over differences but did not in fact settle them and that we should now meet the issue head on and come to a definite complete understanding."

[Here follows numbered paragraph 11 of this memorandum, printed on page 207.]

For the Joint Chiefs of Staff
HOYT S. VANDENBERG
Chief of Staff, United States Air Force

Lot 54D423

*Memorandum by the Central Intelligence Agency*¹

SECRET
NIE-19

[WASHINGTON,] April 20, 1951.

NATIONAL INTELLIGENCE ESTIMATE²

FEASIBILITY OF JAPANESE REARMAMENT IN ASSOCIATION WITH THE
UNITED STATES

THE PROBLEM

To assess the feasibility of rearming Japan in association with the US and its allies, the capability of Japan for effecting such rearmament, and the Soviet reaction thereto.

CONCLUSIONS

1. Japan's value to the Eastern or Western bloc rests on its industrial potential, its trained manpower, and its strategic location with respect to the Asiatic mainland and to US defense outposts in the western Pacific.

2. Japan has sufficient manpower and industrial facilities to enable it, within a few years, to assume a large and growing share of its own military defense provided: (a) enough raw materials including those in scarce supply were made available; and (b) the US furnished interim military assistance and training. Japan also has the economic capability to assume a major share of the costs of rearmament, and, if Japan were to do so, the dollar costs to the US would probably not exceed current levels of US support to the Japanese economy.

3. We believe that if Japan were accorded sovereignty under a treaty of peace, and if the US provided military protection and economic support, the Japanese Government would move toward reconstituting its armed forces in strength sufficient to defend Japan and could gain adequate popular support for this program. For some time however, progress would be impeded by widespread war-weariness,

¹ For information on the series of National Intelligence Estimates, see footnote 1, p. 2174.

² The following paragraph appears on the title page: "The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 17 April."

fears of a resurgence of militarism, and concern over economic hardships. A legal obstacle, the importance of which cannot be accurately estimated at this time, is the constitutional prohibition against the maintenance of armed forces (see Appendix A ³). The Japanese Government would undoubtedly use popular reluctance to rearm, as well as the constitutional difficulty, as bargaining points in negotiations for US military and economic aid.

4. Although the non-Communist countries with major interests in the Far East have varying degrees of apprehension about the remilitarization of Japan, the present governments in these countries are reconciled to the necessity of Japanese defensive rearmament. Australia and New Zealand, however, would press for the simultaneous development of mutual security arrangements with the US participating.

5. The Kremlin and the Chinese Communist regime will continue to try to prevent the conclusion of a Japanese peace treaty to which they are not a party and will try to frustrate, or at least to delay and limit Japanese rearmament by bringing propaganda and diplomatic pressure to bear on Japan, the US, and other non-Communist countries.

6. The USSR would refuse to recognize the validity of a US-sponsored treaty between Japan and the non-Communist powers but would not consider it to be sufficiently important in itself to justify direct military action. Soviet concern over Japan centers not in the treaty issue as such, but in Japanese rearmament.

7. We do not believe that Japanese rearmament in itself would set off a general war between the USSR and the US. If, however, the Kremlin were to conclude, in the light of the world power situation, that the rearmament of Japan and its alignment with the US constituted a threat to the security of the Soviet bloc, the USSR would probably resort to military action at the time and place most advantageous to itself.

DISCUSSION

1. Because of the strategic location of Japan, its industrial capacity, and its large pool of trained civilian and military manpower, Japan's ultimate political alignment will be a decisive factor in the balance of power in the Far East. If the Communists controlled Japan, they could:

- a. Safeguard the Communist controlled territory in Northeast Asia;
- b. Breach the US defense line in the western Pacific;
- c. Strengthen the industrial and military power of the Soviet bloc, particularly in respect to shipping and sea power with the Far East;

³ Not printed.

- d. Facilitate Communist aggression in South and Southeast Asia; and
- e. Free Communist forces for deployment elsewhere.

If, on the other hand, Japan were to be rearmed and aligned with the West :

- a. The West would benefit from the fact that the industrial and military resources of the nation were retained in friendly hands;
- b. Japan would provide a potential base for Western military power in Northeast Asia;
- c. The US would be able to protect its defense outposts in the western Pacific; and
- d. Other non-Communist countries would be encouraged in their fight against the spread of Communism.

Japan's Military Potential

2. Because of its present military impotence, Japan is vulnerable to military attack by the USSR, which alone, or together, with Communist China, could initiate a large-scale invasion with no further warning than we now have. Japan has, however, the potential for creating forces sufficient to defend itself against such an invasion or to build up a large military establishment.

3. Japan has sufficient manpower to create large ground, naval, and air forces.

a. A Japanese Army of up to 500,000 men theoretically could be created within six months or a year after Japan had agreed to rearmament, equipment and supplies had become available, and a training program had begun. Its nucleus would be the 75,000 men now in the National Police Reserve, who are receiving US training and equipment. The remainder of such an army and the further increments would be drawn from a manpower pool of 15 million men, including approximately 8 million veterans, theoretically fit for military service. The basic machinery required for mobilization still exists, and there are enough veteran officers of the Imperial Army at all command and staff levels for virtually any size of army required.

b. Similarly, there are enough naval and air force personnel, including technicians, to man large naval and air establishments.

4. There are enough trained workers in Japan to operate an industrial plant as large and productive as that maintained during World War II. A large part of this industrial plant, despite war damage and some removals for reparations, is intact or usable, or could be restored after relatively minor repairs. Japan still has facilities for the manufacture of such ground force munitions as edged weapons, small arms, mortars, rocket guns, artillery, light tanks, self-propelled guns, combat vehicles, and ammunition. These facilities could be rapidly expanded. Most Japanese shipyards and naval base facilities are still intact or usable. The naval arsenals, while damaged by war

action and subsequent reparations removals, could be retooled to produce medium- and small-caliber guns, naval mines, and torpedoes within a relatively short time. Annual capacity for production of a supporting merchant fleet is at present rated at 800,000 gross tons of steel vessels. Repair facilities for the largest naval ships are available, and construction of small naval vessels could begin fairly soon. We estimate that within 12 to 18 months, a considerable portion of Japan's former capacity to produce weapons and ammunition for the use of ground and naval forces could be restored.

5. Japan at present has no capacity for the manufacture of aircraft or related equipment. Reconstruction and tooling up to build current US fighter and light bomber types of aircraft, with US aid and equipment, would require at least two years of intensive effort. It would take about four years thereafter to attain a potential production capacity per month of 2,300 aircraft of all types, the World War II peak. Crated aircraft and equipment from outside sources, however, could be assembled as rapidly as received.

6. Japan depends upon imports for many of its most essential raw materials as well as about 20 percent of its foodstuffs. In the past, the Northeast Asian mainland and Taiwan were Japan's principal sources of foodstuffs, and the Northeast Asian mainland was the principal source of its coking coal, a substantial proportion of its iron ore, and some of its manganese. South and Southeast Asia were the sources for most of its manganese, rubber, and tin; nearly one-half of its raw cotton; a considerable proportion of its iron ore; and some of its foodstuffs and petroleum. The US was the source of about one-half of Japan's raw cotton and about two-thirds of its petroleum.

7. Comparatively little raw material from Northeast Asia has been available in the past five years, and Communist China probably would deny Japan all strategic materials whenever Japanese rearmament and alignment with the West had become evident. Korea, regardless of the outcome of the present conflict, will not be able to export much food or raw material for some time to come. Because of the burden of supporting the Chinese Nationalists, Taiwan cannot make food available in the quantities that it formerly sent to Japan. South and Southeast Asia can still contribute significantly toward meeting Japanese requirements for food and such raw materials as iron ore, rubber, bauxite, tin, and cotton, and, to a lesser degree, petroleum, provided:

a. The area or a large part of it does not come under Communist control;

b. Communist forces already in the area do not seriously interfere with production in the principal industries; and

c. Transport of materials is not interdicted.

Nevertheless, substantial quantities of iron ore, coking coal, cotton, and foodstuffs would have to be imported in the next few years from the Western Hemisphere, primarily the US, if Japanese industrial capacity were to be fully utilized. Raw materials in adequate quantities probably could be made available for Japanese import, although for some materials US allocations would probably be necessary.

8. If a substantial rearmament program were undertaken in Japan, dollar aid would probably be required. The magnitude of dollar aid would not have to be excessive, although it would be increased if there were an undue diversion of Japanese resources from production for export to armaments production. Western rearmament has substantially improved the Japanese balance of payments. The shortage of manufactured products, particularly metal products, on world markets, together with the improved balance of payments position of Japan's customers, has facilitated increased sales of Japanese manufactured goods. Earnings from its exports together with dollar receipts from pay-as-you-go arrangements with the US should place Japan in a fairly favorable balance of payments position. In addition, Japan has industrial capacity and skilled manpower substantially in excess of that currently employed. Given availability of raw materials, Japan probably would be able to expand its exports and at the same time support a defensive rearmament program without a cutback in its living standards and at an annual dollar cost to the US approximating the magnitude of aid now being extended.

Prospects For Japanese Rearmament

9. Several basic factors in the Japanese situation strongly favor, though they do not ensure, Japan's rearmament in association with the US and Japan's cooperation with the US and its allies in opposing Far Eastern Communism. Japan's primary desire today is for an arrangement by which it may regain control of its own affairs, maintain its national security, and achieve an accepted international status. Although Japan would have preferred to assume a neutral status in world affairs in order to bargain freely with all powers and thus obtain maximum national advantage in economic and political matters, events in Korea have largely dispelled the illusion that Japan could remain neutral in the East-West struggle. Assuming a reasonably early end of the occupation and continued faith in US military and economic strength, the Japanese attitude toward the US is likely to remain favorable or at least not to become so unfavorable as to be a major obstacle to cooperation in the early post-treaty years.

10. Most Japanese leaders in the government and two of the three principal political parties either strongly favor rearmament or per-

ceive that it cannot be avoided. The Japanese people as a whole, however, are fearful of direct involvement in another war, of a lowering of present living standards, and of a revival of autocratic and militaristic government. In government circles there is some concern over the possibility of a threat to civilian control if high-ranking officers are returned to influential positions in a rearmament program. Many Japanese would find it difficult suddenly to accept the idea of a rearmed Japan. Japanese youth today lack the psychological conditioning and sense of mission common to the prewar and wartime youth in the armed services.

11. Against these factors, however, must be set Japan's historic fear of Russia, the persistent threat of Soviet aggression, the anti-Communist tradition of the Japanese people, their ingrained obedience to authority, their deep-rooted patriotism, and their nationalism, all of which would impel them to fight in defense of Japan. During the last ten months, there has been a trend in favor of self-defense. Given government leadership and the continuing threat of Soviet aggression, this trend is likely to be accelerated.

12. A Japanese governmental decision to move toward reconstituting Japanese armed strength would require:

a. A peace treaty, signed at the earliest possible moment by as many as possible of Japan's former enemies, which would restore Japanese sovereignty.

b. A security arrangement providing for the commitment of US military forces to the defense of Japan while Japanese strength was being developed.

c. Assurance of US economic support.

The extent of popular acceptance of a government decision to rearm would be influenced by such factors as the disposition of the Ryukyus and Bonins and the extent to which the Japanese people had become convinced that rearmament would be for their own security. Even after decision to rearm was taken, however, security arrangements and questions of economic aid would presumably be the subject of continuous negotiation as the Japanese sought to use their strategic importance to the US to exact the greatest possible concessions from the US.

13. If Japan were fully sovereign and rearmed, its course would probably be determined chiefly by opportunistic considerations. Thus, Japan could be expected to exploit its bargaining position, to expand its sphere of influence, and to make its own accommodation to any significant change in the Far Eastern or international power situation. Basically, however, it would retain a preference for a Western rather than a Soviet alignment.

World Reactions to Japanese Rearmament

14. A US decision to assist Japanese rearmament would not cause seriously adverse reactions in any non-Communist country with major interests in the Far East. Australia* and New Zealand, however, will require US guarantees against future Japanese military aggression. These countries, as a result of their World War II experiences, are reluctant to see Japan rearmed despite increasing evidence of the threat to their security represented in the expansion of Communism in the Far East. They therefore desire safeguards against both Communist expansionism and resurgent Japanese militarism. The Western European nations and the UK accept the necessity and desirability of Japanese rearmament.

15. Because of the deep-rooted Chinese fear of Japan, a US decision to rearm the Japanese would tend to reinforce the Sino-Soviet alliance.

16. The USSR would oppose a US-sponsored treaty between Japan and the non-Communist powers. Instead, it would insist that the proper procedure would be for the US, the USSR, the UK, France, and Communist China to draft a treaty for submission to the other interested parties. The main provisions which the USSR would insist should be incorporated in a treaty, all designed to facilitate eventual Soviet penetration of Japan, would be: (a) immediate evacuation of occupying troops; (b) "demilitarization" of Japan; and (c) "democratization" of Japan according to Soviet ideas. Territorial settlements, the USSR would claim, would only require ratification of provisions in the Cairo (1943) and Potsdam (1945) agreements. The effect of this would be to continue Soviet possession of the Kuriles and South Sakhalin, established Chinese Communist control over Taiwan and the Pescadores, and return the Ryukyus and Bonins from US control to Japan. Because the real concern of the USSR is over Japanese rearmament rather than a treaty, Soviet reaction to the signing of a US-sponsored treaty would take the form of a propaganda campaign of accusations that the US was planning "further aggression" from Japan, threats of counteraction based on the Sino-Soviet treaty, and threats of economic pressure implicit in emphasis on the economic disaster that would result if Japan cut itself off economically from the mainland. By such propaganda, the USSR would try not only to prevent or delay a treaty but also to complicate US foreign relations with the non-Communist nations in Asia. If the US should proceed on the present basis and actually conclude a treaty with Japan

*In view of the declared opposition of Australian labor leaders to Japanese rearmament, an Australian Labor Party victory in the forthcoming general election would reduce the likelihood of obtaining the agreement of the Australian Government to Japanese rearmament, even given mutual security arrangements in the Pacific. [Footnote in the source text.]

without Soviet participation, the USSR would declare that the USSR did not recognize its validity and was in no way bound by any of the treaty provisions. Nevertheless, the USSR has probably already discounted the proposed bilateral US-Japanese arrangements and would not consider the formalization of these arrangements in a written agreement as sufficiently important in itself to justify direct military action. This is true primarily because Soviet concern over Japan centers not in the treaty issue as such but in Japanese rearmament.

17. The Kremlin would undoubtedly view Japanese rearmament, particularly in conjunction with US, Western European, and German rearmament, as a serious obstacle to attainment of Soviet objectives and ultimately, perhaps, as part of a cumulative threat to the security of the USSR. Soviet reaction to Japanese rearmament would be strong, especially if it reached a scale that promised to produce a military force potentially capable of offensive action. The USSR would probably make diplomatic countermoves comparable to those elicited by the prospect of West German rearmament and would attempt to thwart or limit Japanese rearmament by propaganda and other means short of direct military action. These would include:

- a.* Attempting to create further dissension between the US and its allies over US policy in Asia;
- b.* Arousing victims of former Japanese aggression to resentment against the US, because of its role in building up Japan; and
- c.* Continuing to accuse the US of imperialist designs in Asia and of deliberate violation of international agreements.

18. The USSR would also attempt to weaken Japanese popular will to support the US by at least:

- a.* Continuing to make increasingly pointed references to Sino-Soviet treaty provisions for joint action by Communist China and the USSR against renewed Japanese aggression; and
- b.* Exploiting Japanese desires for trade with the mainland, particularly North China and Manchuria.

19. If, over a period of time, Soviet leaders came to the conclusion that they could not prevent Japanese rearmament by such tactics, they would probably consider further courses of action. At that time, the Kremlin undoubtedly would take into consideration the relative world power situation of the USSR (including atomic capabilities), particularly the extent to which Western European and West German rearmament had developed, and the military situation of the Chinese Communists, as well as the scale and rate of progress of Japanese rearmament. We do not believe that Japanese rearmament in itself would set off a general war between the US and the USSR. If, however, the Kremlin were to conclude, in the light of the world

power situation, that the rearmament of Japan and its alignment with the US would shift the world balance of power sufficiently to constitute a threat to the security of the Soviet bloc, the USSR would probably resort to military action.

894.501/4-2051

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, April 20, 1951.

DEAR MR. SECRETARY: I refer to your letter of 1 March 1951¹ regarding the proposal of the Joint Chiefs of Staff to furnish equipment for the Japanese National Police Reserve.

The Department of Defense accepts the suggestions made in your letter and confirms the understanding expressed in the penultimate paragraph thereof. In particular, the Department of Defense agrees that none of the heavy armament in question should be placed in the hands of the Japanese without the specific prior agreement of the Department of State or approval at the highest governmental level.

There is inclosed a draft letter in which I propose to forward our joint recommendations to the President. In view of the urgency of this matter, I should appreciate receiving your comments or concurrence in this letter at the earliest practicable date.

Faithfully yours,

G. C. MARSHALL

[Enclosure]

DEAR MR. PRESIDENT: The Joint Chiefs of Staff have advised me that the Soviet capability to mount amphibious and airborne attacks against Japan, in conjunction with the present lack of defending ground forces, constitutes a grave and immediate threat to the security of Japan. I strongly concur in their estimate of the gravity of this threat.

There is now in existence a Japanese National Police Reserve of 75,000 men organized into four partly equipped divisions. In view of the precarious security situation, the Commander in Chief, Far East, has urgently requested sufficient arms to equip these units as full combat divisions. Accordingly, the Joint Chiefs of Staff have recommended that the Department of the Army be authorized, as a matter of urgency to furnish full equipment, including heavy armament, for the existing four divisions of the Japanese National Police Reserve.

¹ *Ante*, p. 898.

The Secretary of State, however, has pointed out several serious political considerations which weigh against the provision of heavy armament to Japanese forces at this time. These considerations may, I believe, be summarized as follows:

(1) Such action would violate decisions of the Far Eastern Commission which are, in effect, international obligations of the United States.

(2) It would jeopardize support both in Japan itself and among our allies for a Japanese Peace Treaty of the type which the United States is seeking. Such a treaty would itself be the best means to remove existing restrictions on Japanese rearmament and to obtain maximum Japanese support for the cause of the free world.

(3) It might isolate the United States from its allies and make it difficult for us to obtain international support for counteraction in the event of a localized Soviet attack on Japan.

(4) It might have adverse effects on the possibility of any degree of success of a meeting of the Council of Foreign Ministers.

In view of these considerations, the Departments of State and Defense have agreed to recommend your approval for the establishment, from U.S. Army stocks, of a "Special Far East Command Reserve", which would be available as a stockpile of equipment for the four JNPR divisions, but which would not be placed in the hands of the Japanese without specific prior agreement by the Department of State or approval at the highest governmental level.

I further recommend, on the advice of the Joint Chiefs of Staff and with the concurrence of the Secretary of State, that you authorize the Department of the Army to undertake planning and budgeting for matériel sufficient fully to equip an overall total of ten JNPR divisions by July 1, 1952.

This recommendation means that the Department of the Army would have authority to plan and budget a program to equip an overall total of ten JNPR divisions, but the decision to stockpile such equipment for an additional six divisions will be made by appropriate military authority at a later date, and in view of the then existing situation. The authority immediately to ship heavy armament for the four existing JNPR divisions will cause some extension of the period during which Army units in the United States must train with a 50% allowance of major critical items of equipment, and may also result in some delays in MDAP deliveries.

With great respect,

Faithfully yours,²

² In a letter of April 30 to Secretary Marshall, not printed, Mr. Acheson concurred in the transmission of the draft letter to the President. (S94.501/4-2051) The latter approved it May 1.

Editorial Note

On or about April 20, the Dulles Mission received from the Japanese Government a memorandum titled "Concerning the Character of the Proposed Japanese-American Agreement". The Agreement in question was the draft Agreement between the United States and Japan for Collective Self-Defence, dated February 9. (See Annex II to the letter from Mr. Dulles to Mr. Acheson dated February 10, page 875.) In the memorandum the Japanese Government presented the reasoning behind its desire for a revision of the fifth paragraph of the Preamble to the draft Agreement. (Lot 54 D 423)

Editorial Note

In a memorandum dated April 20, titled "Observations on the British Draft Peace Treaty for Japan", apparently handed to a representative of the Dulles Mission, the Japanese Government stated its belief that the British draft of April 7 had the character of an imposed peace and that the United States draft was preferable to the Japanese people. The Japanese Government then listed those provisions of the British draft to which it most objected, and in conclusion mentioned a few features of the British draft which it regarded favorably and which it wished to have incorporated in the United States draft. (Tokyo Post Files: 320.1 Peace Treaty) Concerning the British draft of April 7, see footnote 2, page 979.

694.001/4-2251 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

TOP SECRET

PRIORITY

TOKYO, April 22, 1951—6 p. m.

Topad 1853. For Rusk, Allison from Dulles. Following my preliminary comments on preliminary comments JCS on draft treaty and related documents as reported by your 1507, April 20.¹

¹ In this telegram, marked "For Dulles from Allison," the Department had stated it had just received preliminary comments of the JCS on both the draft peace treaty and the defense arrangement with Australia and New Zealand. The portion of the telegram concerning the peace treaty follows: "While no objections voiced to terms of Treaty JCS raise definite reservations about time of coming into effect of Treaty and state *inter alia*, 'It is therefore essential that the proposed treaty not come into effect until the divisions which are to constitute the US garrison forces are in place in Japan.' Additionally JCS raise objection to addendum to agreement referring to continuing rights of UN forces after

I assume JCS comments relate to coming into effect of treaty which is dependent on Senate ratification and not to signing which of course does not bring treaty into effect. Addendum not intended in any way alter agreed Presidential directive in this respect. That directive commissions me to seek "early Jap peace settlement" directs me proceed "without awaiting favorable resolution military situation in Korea" but recognize that peace settlement "could not come into formal effect except by normal constitutional processes" which "would give us an opportunity to control, in light of existing circumstances, time at which any peace settlement will become fully effective" suggested addendum committing Jap Govt to provide same facilities in relation to UN operation after treaty effective as before was in no sense designed to qualify or alter the directive of January 10² and UN control over effective date which is consequent upon our control over timing of our ratification processes.

Addendum does not assume as JCS comments say that Jap peace treaty "will" become effective prior to termination of hostilities in Korea, it merely assumes peace treaty "might" become effective prior to that time and that it is accordingly wise precaution to take this possibility into account. If JCS think it unnecessary take this contingency into account and willing rely wholly on constitutional processes as adequate to protect US position that is entirely satisfactory to me and we gladly drop addendum.

However, in my opinion it would be grave misjudgment of situation to assume constitutional steps to bring proposed treaty into effect can surely be timed to meet purely dispositions in relation to garrisoning Japan or to meet convenience of administration in Japan with reference to Korean operation. Ratification will inevitably be influenced by many factors of which technical military considerations only one. Other factors will be (a) Senate's own parliamentary time table, (b) hopes, fears of Jap people, (c) status of Sov war of nerves against Japan, (d) actual state of fighting in Asia, (e) sentiment of American people and their leaders reacting to imminence of national election, (f) expectations of other peoples and govts in relation to matters related to treaty, such as security elsewhere in the Pacific, (g) attitude of Allied govts, (h) the importance of maintaining US initiative in Japan and US leadership and prestige in world. To believe the balance of all such factors can be made to produce precise synchronization with

Footnote continued from preceding page.

treaty on initial grounds that 'It assumes that the Jap Peace Treaty will become effective prior to the termination of hostilities in Korea.' This apparently assumes that the peace treaty can under no circumstances become effective until Korean hostilities terminated," (694.001/4-2051) For the remainder of this telegram, see the editorial note, p. 211. For complete text of the JCS memorandum to the Secretary of Defense of April 17, see the enclosure to Mr. Marshall's letter of April 19 to Mr. Acheson, p. 990.

² For text, see enclosure 2 (as annotated) to Mr. Acheson's letter of January 9 to Secretary Marshall, p. 788.

still undated future troop movements and with military administrative convenience is in my opinion to expect the impossible.

If JCS attach importance they seem to attach to synchronization, I suggest they give thought to synchronizing their own arrangements with the great world forces which will surely be conclusive rather than to assume that I, or anyone else, can so regulate these forces as to suit their as yet unformulated and unpredictable military time table.

Under circumstances it wld seem to me course of prudence to get Jap commitment involved in proposed amended addendum but this is purely for JCS and Defense to decide and I repeat if they do not want addendum that is all right with me.

I am carrying on under President's directive of January 10 unless and until it is changed and I need, want and anticipate full cooperation of JCS. Subject to Presidential directives I expect fully to take account military considerations. However I point out that since agreed Presidential directive January 10, 1951 calling for "early Jap peace settlement" (a) White House release February 27, 1951³ states President wishes us "carry on with a view to achieving earliest practical consummation of objectives entrusted to mission last January." (b) March 26, 1951, President after examining tentative text Jap peace treaty advised Secretary State "hope you may be able to implement this treaty as quickly as possible."⁴ (c) On April 11, 1951 White House states "President has made clear it is firm policy of US Govt press forward to conclude peace settlement with Japan as soon as possible."⁵ (d) April 13, 1951, President sent me message to airport stating "determination of US to work earnestly for prompt conclusion of Jap peace settlement."⁶

In addition to these Presidential statements on March 9, 1951, Senator Connally following my meeting with Senate Foreign Relations Committee said committee members expressed "satisfaction with progress made and hoped for early conclusion of Jap peace settlement."⁷

On April 19, Secretary State, in major address said "We are moving rapidly to make prompt and enduring peace with Japan."⁸

In view of all of these public statements emphasizing prompt quick action to conclude Jap peace settlement it would in my opinion be disastrous to US prestige in Japan, Pacific, Asia to adopt any course other than press for promptest possible signing of peace treaty leaving

³ For a summary of this press release, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, p. 176.

⁴ See footnote 5, p. 950.

⁵ For text of the White House press release of April 11, see Department of State *Bulletin*, April 23, 1951, p. 654.

⁶ Text of this statement by Under Secretary Webb in behalf of the President is printed *ibid*.

⁷ Reference statement not found in Department of State files.

⁸ Reference is to Mr. Acheson's address of April 18, "Our Far Eastern Policy: Debate, Decision, and Action." For text, see Department of State *Bulletin*, April 30, 1951, p. 683.

ratification date under our control. I do not assume JCS and Defense take any other view. If perchance I do not assume correctly in this respect I must request most urgently present matter to President.

New subject:

[Here follows the portion this telegram printed in the editorial note, page 211.]

[Dulles]
SEBALD

Lot 54 D 423

*Memorandum of Conversation, by Mr. Robert A. Fearey of the Office
of Northeast Asian Affairs*

SECRET

[Tokyo,] April 23, 1951.

Subject: Japanese Peace Treaty

Participants: Prime Minister Yoshida
Mr. Iguchi, Vice Minister of Foreign Affairs
Mr. Nishimura, Chief of Treaty Bureau
Ambassador Dulles
Ambassador Sebald
Assistant Secretary Johnson
Colonel Babcock
Mr. Fearey

Addendum

Ambassador Dulles said that certain language changes in the addendum regarding the Korean operation (addendum to U.S.-Japan bilateral) were still being discussed in Washington and that he was accordingly unable to provide Mr. Yoshida with a revised draft. He said that the changes were not of substantive importance, however, and promised that the new text would be forwarded through Ambassador Sebald at an early date.¹

¹ The following is the operative clause of an unsigned draft of the addendum prepared sometime between April 18 and April 23:

"It is agreed between the United States and Japan that, should forces of the United States or other Members of the United Nations be engaged in operations in continuation or extension of the present United Nations action in the Far East at the time this treaty goes into effect, Japan will continue to permit the Member or Members to support such forces through Japan in the same general manner, and under the same general financial arrangements, after the treaty goes into effect as before. Such use of Japanese facilities and services will be at the expense of the Members of the United Nations, except for those facilities and areas provided to the United States pursuant to the administrative agreement implementing the bilateral treaty between the United States and Japan for collective self-defense." (Lot 54 D 423)

The following unsigned handwritten sentence appears in the margin of this draft: "Prepared in accordance telegraphed State and JCS views but decided not to give to Japanese until surer of US clearance."

Reparations

Ambassador Dulles inquired whether the Japanese Government had considered his suggestion for a possible program of reparations from current production. Mr. Yoshida replied that there had been many suggestions but that the Government had not yet arrived at a concrete plan. He said that it would continue its study of the matter and get in touch with Ambassador Dulles through Ambassador Sebald shortly. One proposal which the Government did wish to advance, however, was for Japan to salvage and turn over to the Philippine Government a considerable number of Japanese ships sunk in Philippine waters. Ambassador Dulles said that this would constitute a gesture of sorts but that he hoped that the Government would consider a trade arrangement along the lines he had discussed at the previous meeting. He said that he did not expect anything that would throw a heavy economic burden on Japan, nor did he believe that the Philippines expected large reparations. All that was required was something to allay ill-will and get trade going again. He added that the Mission would look into the idea in Washington also.

Korean Participation

Ambassador Dulles said that he understood that the Japanese Government objected to Korea's being a signatory of the treaty. Mr. Yoshida replied that this was so and presented a paper² containing his Government's views. Ambassador Dulles said that he could see the force of the Japanese argument that Korean nationals in Japan, mostly Communists, should not obtain the property benefits of the treaty. He suggested that this might be taken care of by limiting these benefits to Allies which were belligerents at the time of surrender. His initial reaction, however, in light of the world picture and the desire of the U.S. to build up the prestige of the Korean Government, was that we would want to continue to deal with Korea on the treaty. If the only practical objection the Japanese Government had to Korea's participation was the one just discussed this could and should be taken care of. If the Japanese Government had any other practical objections the U.S. would be glad to study them.

Prime Minister Yoshida said that the Government would like to send almost all Koreans in Japan "to their home." The Government had long been concerned over their illegal activities. He had raised the matter with General MacArthur who had opposed their forced repa-

² A document titled "Korea and the Peace Treaty", dated April 23. In it the Japanese Government stated that Korea should not be a signatory to the Treaty because as a liberated nation it was not in a state of war or belligerency. The Government then pointed out that if Korea was a signatory, the one million Koreans residing in Japan, most of them Communist, would have the property and compensation rights (derived from the Treaty) of Allied nationals. (Lot 54 D 423)

triation, partly on the grounds that they were mostly North Koreans and "would have their heads cut off" by the ROK. Mr. Yoshida said that the Government had determined that the assassination of the President of the National Railways in the summer of 1949 had been by a Korean but that it had been unable to catch the guilty party, who was believed to have fled to Korea.

Civil Aviation

Ambassador Dulles said in connection with the paper on civil aviation handed him by Mr. Yoshida³ that he understood that there was a project afoot for the creation of a Japanese company in which certain foreign airline companies would have stock and which would provide for a cooperative effort of Japanese and foreign airline interests to get an internal Japanese airline going. If this proposal succeeded it would seem that the problem of Japanese internal commercial flying would have been satisfactorily dealt with. Ambassador Dulles suggested that the U.S. and Japanese Governments both further consider the issues raised by the Japanese paper.

Japanese Nationals in Soviet Territories

Ambassador Dulles said in connection with the paper on this subject handed him by Mr. Yoshida that the U.S. had thought of putting such a provision into its draft but had decided that it would be impractical. Inclusion of unrealistic provisions opened the door to the submission of similar provisions by other nations. Everyone would know that the provision would have no operative effect.

"Reparations Claims"

Mr. Iguchi said that one type of claim the Japanese Government had in mind in submitting its paper on "reparations claims" was possible claims by certain Allied countries for Japanese currencies issued in their territories. The matter had been raised by the Ministry of Finance. Ambassador Dulles said that the paper was not entirely clear to him and suggested that the Japanese Government submit it again in revised and elaborated form. Ambassador Dulles further said that it would probably be necessary to insert a provision in the treaty clarifying the status of Japanese foreign currency bonds.

Future Schedule

Mr. Yoshida inquired what Ambassador Dulles conceived to be the next steps in connection with the treaty. Mr. Dulles replied that there were three matters which would have to be dealt with on the Mission's return, namely: (1) the administrative agreement, involving a large amount of detailed work; (2) discussion of the U.S. and U.K. drafts with British representatives arriving in Washington on April 24;

³ *Infra.*

and (3) formulation of the final text of the security arrangement with Australia and New Zealand. If the discussions with the British indicated the need he might go to London to seek to iron out remaining differences at a high level. By the end of April the comments of the 14 other nations to which the U.S. had presented its treaty draft should be coming in. Probably by mid-May the degree of agreement and disagreement on the treaty would have become apparent and it would be possible to decide the next step. Ambassador Dulles said that we were pushing forward as hard as we could and that we would continue to do so.

Prime Minister Yoshida said that he was being charged with "secret diplomacy" in the Diet and hoped that Ambassador Dulles would advise him in advance of how much of the treaty the U.S. planned to publish. Ambassador Dulles replied that the U.S. had no plans for publication. The Japanese Government's position regarding the treaty was somewhat different from his own. The U.S. has a certain initiative and responsibility in the matter. The Japanese Government is being consulted, but this is being done as a matter of good-will and courtesy and not as a right. If Mr. Yoshida should be able to talk in confidence with a few Diet members as Ambassador Dulles had with the Far Eastern Subcommittee of the Senate Foreign Relations Committee, that would be all right. Mr. Yoshida said that this was not entirely feasible since the opposition did not always act in a responsible manner.⁴

⁴ The Dulles Mission left Tokyo later on April 23 and arrived back in Washington the following day. For Mr. Dulles' statement released to the press April 24, see Department of State *Bulletin*, May 7, 1951, p. 747.

Lot 54D423

Unsigned Japanese Government Memorandum

[Tokyo,] April 23, 1951.

DOMESTIC CIVIL AVIATION

With respect to civil aviation, the American Draft¹ provides in Chapter V, Political and Economic Clauses, Clause 13, Paragraph 3;

"Pending the conclusion of civil air transport agreements, Japan, during a period of three years, shall extend to each of the Allied Powers not less favorable civil air traffic rights and privileges than

¹ Of March 23, p. 946.

those they exercised at the time of the coming into force of the present Treaty."

In the same clause, Paragraph 1, which stipulates the matters regarding which Japan shall accord national treatment to the Allied Powers, excludes specifically Japanese coastal and inland navigation. But nothing is said about domestic civil aviation. International usage customarily reserves domestic civil aviation of a country for the citizens of that country, and the Italian Peace Treaty (Article 81) provides for indiscriminate treatment of the Allied Powers only with respect to international civil aviation. Accordingly it is desired that consideration be given to adding "international" before "civil air transport" and "civil air traffic" (Clause 13, Paragraph 3) with the view of making it clear that this clause is one governing the rights and privileges in international civil air transport.

Lot 54D423

*Unsigned Japanese Government Memorandum*¹

[Tokyo,] April 23, 1951.

REPARATIONS CLAIMS

The American Draft provides in the last Paragraph of Chapter VI on *Reparations and Property*: "Reparations claims of the Allied Powers and their claims for direct military costs of occupation shall be deemed satisfied out of the Japanese assets subject to their respective jurisdiction in accordance with the foregoing and out of assets received from the Japanese home islands during the occupation."

This provision is highly welcome to the Japanese government. But consideration of the following two points are requested.

(a) Since "reparations claims" are not limited to those arising directly out of the act of war, but should include also those arising in connection with the war, it would seem better to employ a more specific term such as "claims arising out of war."

(b) It is necessary to designate specifically the beginning and the end of the period in which the events, giving rise to reparations claims, took place.

Unless these two points are clarified as indicated above, there may, it is feared, arise a situation that will defeat the very purpose of this clause.

¹ Possibly handed by the Japanese to the American side during the conversation documented in Mr. Fearey's memorandum of April 23, p. 1006.

Lot 54D423

*Unsigned Japanese Government Memorandum*¹

[Tokyo,] April 23, 1951.

SUPPLEMENTARY STATEMENT TO THE CONVERSATION OF FRIDAY
MORNING, APRIL 23, 19511. *Reparations for the Philippines*

a. The salvaging operations will be conducted at the expense of the Japanese government. The salvaged vessels will belong to the Philippine government, but they may be purchased by Japan at a price to be agreed upon between the two governments with the United States government acting as an intermediary.

With respect to the time and money to be expended for the salvaging, an agreement, outside the Peace Treaty, will be concluded between Japan and the Philippines.

b. While maintaining the principle of no further reparations, Japan will study, in connection with the question of a Japan-Philippine trade agreement, the matter of receiving raw materials from the Philippines for processing, and delivering the finished goods to the Philippine government.

2. *Korea and the Peace Treaty*

The Japanese government will not persist in its opposition to Korea being made a signatory to the Peace Treaty, if it is definitely assured that by the said treaty Korean residents in Japan will not acquire the status of Allied Powers nationals.

¹ The margin bears this handwritten notation: "Handed Fearey April 23 4:00 p. m."

Lot 54D423

*Memorandum by the Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs (Hemmendinger) to the Deputy to the Consultant (Allison)*¹

SECRET

[WASHINGTON,] April 24, 1951.

Subject: Comments on British Draft

The following preliminary comments on the British draft of the Japanese peace treaty are submitted for your consideration.

¹ Drafted by Charles A. Fraleigh of the Office of Northeast Asian Affairs. Routed to Mr. Allison through U. Alexis Johnson.

Article 14—Congo Basin Treaties

The British propose that Japan renounce all rights, titles, interests and claims deriving from Conventions signed at St. Germain-en-Laye on September 10, 1919.

One of the Conventions is that signed by the U.S., Belgium, the British Empire, France, Italy, Japan and Portugal, (TS No. 877) which provides for free trade and commercial equality in the Congo basin, for national treatment with regard to the protection of persons and property, and for freedom of navigation of the rivers in the Congo basin.

Article 17—Bank for International Settlements

The British propose that Japan renounce all rights, title and interests resulting from the agreement with Germany of January 20, 1930, the Convention of January 20, 1930 and its annexes concerning the Bank for International Settlement and the Trust Agreement dated May 17, 1930.

The only rights, title, and interests which are held under the Convention and the trust agreement are the stock interests in the BIS. No stock interests are held by the Japanese Government, itself, but interests are held by a group of Japanese banks. The Japanese banks subscribed to \$12 million of the stock of the BIS, and their subscription is 25% paid up. The book value of their interests is now about \$6 million.

The British proposal makes no mention of the payment of compensation to Japan in return for the renunciation of the interests of the Japanese banks. It is assumed, therefore, that the British have in mind the forfeiture of the interests of the Japanese banks. There appears to be no justification for such a forfeiture. The forfeiture would benefit the other holders of stock interests: Belgium, France, Germany, Great Britain, Italy, and a consortium of U.S. banks.

We know of no reason why Japanese banks should continue to hold interests in the BIS, which functions as a clearing house for intra-European payments. It was established in 1930 in Basle, Switzerland primarily for the handling of reparations transactions arising out of the operations of the Young plan. However, if the other stockholders of the BIS wish to arrange for the termination of the interests of the Japanese banks, they need not include such an arrangement in the peace treaty, but may, more appropriately, negotiate a separate agreement with Japan, providing compensation for Japan's interest.

If the British contemplate that the Japanese interests in the BIS may be liquidated as external Japanese assets in a neutral country (Switzerland), our comments under Article 28 are pertinent. It may be noted, however, that the Charter of the Bank, which forms a part of the international agreement establishing the Bank and also a part

of Swiss law, stipulates that the property of the Bank shall be immune from expropriation, etc. in time of war.

Article 22—End of Occupation

It is doubtful that agreements providing for the withdrawal of occupation forces, and for the return to the Japanese Government of Japanese goods and bank and cash balances of yen in the hands of the occupation forces are necessary. If they are thought necessary, however, they can, more appropriately, be negotiated separately from the peace treaty.

Paragraph 3 requires the return of all bank and cash balances of Japanese yen in the hands of the occupation forces which have been supplied free of cost. Yen was supplied free of cost only to the occupation forces of countries other than the United States.

Article 23—Reparation

This article proposes that the Japanese Government turn over for distribution as reparation its stocks of monetary gold and bullion and of precious metals and jewels.

The value of stocks of gold and precious metals owned by the Japanese Government is about \$200,000,000. Recent estimates, prepared by Sherwood Fine of the Economic and Scientific Section of SCAP indicate that Japan will have a foreign exchange balance of approximately \$500,000,000 at the end of the present fiscal year, while Japan will need a balance of from \$700,000,000 to \$800,000,000 to meet its minimum requirements in foreign trade. The \$500,000,000 figure does not include the value of Japan's stocks of gold and precious metals. The estimate of Japan's minimum requirements is based on the projected discontinuance of U.S. aid to Japan.

Even if Japan's holdings of foreign exchange equalled or exceeded its minimum needs, the U.S. could still oppose the transfer of Japan's stocks of gold and precious metals as reparations on the ground that U.S. expenditures for relief, economic aid, and military purposes should be a charge upon Japan's holdings of foreign exchange, gold stocks and precious metals prior to any claims for reparation. U.S. expenditures for relief and economic aid total about \$2 billion.

A further objection to the British proposal that Japan turn over its stocks of gold and precious metals for distribution as reparations is the lack of any feasible method of distribution. The British propose that the U.S., the UK, Communist China, and the USSR agree on the countries to which, and the proportions in which, the fund should be distributed. There is no reason to expect that the designated four parties would be able to reach agreement, unless, perhaps, simply agreement to divide in four equal parts, which would leave Philippine and other reparation demands unsatisfied. There is also, of course, the

question what Chinese Government would participate in these arrangements.

Article 24—Restitution of UN Property

This article appears unnecessary and inadvisable. It is a re-hash of the FEC policy decision on restitution of looted property,² implementation of which has been virtually completed by SCAP in a most satisfactory manner. It is highly unlikely that any significant quantity of identifiable looted property could be turned up in Japan even by the virtually unlimited search and seizure procedure here proposed.

The British proposal would require that in addition to restoring all looted monetary gold found in Japan, the Japanese Government should transfer to the government concerned gold equivalent in amount to any looted monetary gold *not* found in Japan. It is not clear whether the British intend that the Japanese should give up all their gold stocks as reparations (Article 23) and buy additional gold for restitution purposes, or whether implementation of the restitution provision would take precedence. It may be assumed, however, that the British intend that Japan be obliged, first, to replace looted gold, and second, to turn over for distribution as reparations any remaining stocks of gold.

The position that Japan cannot provide compensation for war losses and maintain a viable economy applies to either form of compensation, compensation in kind, or compensation in currency. We can contend, therefore, that, to provide compensation in kind for governments whose monetary gold was looted by the Japanese is to discriminate against all other claimants who suffered war losses.

We have requested Tokyo for information on the amount of the unsatisfied claims of governments for looted monetary gold.

Article 25—Renunciation of Claims by Japan

Paragraphs 1 and 4 particularize the claims which Japan waives. The question is, therefore, whether the general waiver provision in the U.S. draft would cover all the particularized claims. This question is one for the Legal Adviser's office.

Paragraph 2 requires Japan to compensate persons who furnished supplies to the occupation forces in Japan and persons who hold non-combat damage claims against the occupation forces. There is no corresponding provision in the U.S. draft. Japan has already undertaken, pursuant to SCAP directives, to provide some compensation for the two classes of claimants. The assumption by Japan of responsibility to

² For the text of the decision of July 29, 1948, "Restitution of Looted Property", see *Far Eastern Commission: Second Report*, pp. 37-41.

provide compensation in full to the two classes of claimants would not place too heavy a burden on the Japanese economy.

Paragraph 3 broadens the U.S. waiver provision to include waiver of claims by Japan against UN nations which were not Allied Powers.

Paragraph 5 of the Article appears to be inconsistent with the provisions of Article 28. Article 28 provides for a transfer by Japan to designated Allied Powers of Japanese assets in Germany. Paragraph 5, however, excepts from Japan's renunciation of claims against Germany and German nationals "claims arising from contracts and rights acquired before 1st September 1939."

Article 26—UN Property in Japan

This Article particularizes the manner in which Japan is obliged to restore UN property in Japan. The question is whether the general paragraph in the U.S. draft on restoration adequately covers the restoration of UN property. This question is one for the Legal Adviser's office. One difference between the two drafts is that the British draft specifies that property, rights and interests be restored as they existed on September 1, 1939, while the U.S. draft requires restoration of property, rights and interests unless the owner has freely disposed thereof without fraud or duress.

The British draft imposes upon Japan the obligation to compensate in yen for the loss of UN property in Japan. The U.S. draft does not impose upon Japan any such obligation. The British proposal raises the issue whether the imposition of such an obligation would create an untenable moral position vis-à-vis the Philippines and other Asiatic countries which have negligible interests in property in Japan, but have substantial reparations claims for which it is not proposed that Japan provide compensation, except, in the British draft, through transfer of gold and external assets.

The issue is a difficult one. It is whether it is justifiable to segregate claims against Japan into two categories: (1) claims payable in non-yen currencies, the satisfaction of which is limited by Japan's capacity to incur additional obligations in non-yen currencies; and (2) claims payable in yen, the satisfaction of which is limited only by Japan's capacity to incur additional obligations in yen. If it is justifiable to segregate claims, then it need not be regarded as discriminatory to relieve Japan of the obligation to pay claims in category (1), while imposing upon Japan the obligation to pay claims in category (2).

In support of the U.S. position that it is not justifiable to divide claims against Japan into (1) non-yen claims and (2) yen claims, we can refer to the fact that holders of non-yen claims might be willing to accept compensation in yen, if Japan is incapable of providing compensation in non-yen currencies. We can say that even yen claims, when held by Allied nationals, are claims which ultimately have to be

met by transfers of foreign exchange. We can also contend that it is not possible to divorce completely the capacity of Japan to incur additional obligations in non-yen currencies from its capacity to incur additional obligations in yen currencies.

The British may point out that non-yen funds (Japanese external assets) have been made available to the Allied Powers in partial satisfaction, presumably, of non-yen claims. The British can argue, therefore, that to make yen funds available to pay yen claims in Japan is merely to achieve a rough sort of balance between non-yen and yen claims.

If we do wish to reconsider our position on the payment of compensation for UN property in Japan, we might require that the claimants use the compensation to repair and replace property in Japan. The compensation provisions would then be revised to relate them directly to the rehabilitation of Japan.

Paragraph 6 of the British draft exempts UN property from any taxes imposed by Japan, between September 2, 1945 and the coming into force of the treaty, to meet war, occupation or reparation costs. The U.S. draft contains no such exemption. In accordance with an FEC policy decision, SCAP has required the Japanese Government to exempt UN property from a capital levy, and other taxes of an extraordinary nature. This point, which has been the subject of controversy with the British in Germany, requires further examination.

Article 27—Japanese Assets in Allied Territory

Both the British and the U.S. drafts authorize the vesting of Japanese assets in Allied territory, but there are a number of differences in the pertinent provisions of the two drafts.

The U.S. draft specifically authorizes the seizure of Japanese assets in territory administered by an Allied Power under UN trusteeship; the British draft does not.

The British draft requires Japan to compensate its nationals for property vested by the Allied Powers; the U.S. draft does not. The provision was omitted from the U.S. draft because of doubts that the Japanese economy could bear the burden of such compensation. The value of Japanese assets in Allied territory, including Manchuria, is believed to be about \$4 billion.

The U.S. draft states that the Allied Powers may not vest Japanese diplomatic and consular property, while the British draft contains no such prohibition. Where the British exclude from vesting "literary and artistic property rights", the U.S. exclude "trade marks identifying property originating in Japan". There is no provision in the British draft to correspond with the provision in the U.S. draft that there shall be excluded from vesting "property located in Japan despite the

presence elsewhere of paper or similar evidence of right, title or interest in such property, or any debt claim with respect thereto”.

Article 28—Japanese Assets in Neutral and Ex-Enemy Countries and in Germany and Austria

The British propose that Japanese assets in neutral and ex-enemy countries be liquidated and used as reparations; the U.S. draft contains no such proposal. The British proposal would designate the USSR and/or China (in several cases Commie China) as recipients in nine of the fourteen countries concerned. There would, therefore, be difficulty in reaching agreement regarding the division of shares.

The value of Japanese assets in the neutral countries has been estimated to be \$20,000,000. The value of Japanese assets in the ex-enemy countries has been estimated by the Japanese to be \$11 million, therefore, the value of assets that might be obtained under the British proposal would be small in comparison with the difficulty of obtaining them.

The question whether the neutral countries could be expected to give effect to a treaty provision transferring Japanese assets in the neutral countries to the Allied Powers is a question, in the first instance, for the Legal Adviser's office.

Article 29—German Property in Japan

The British propose that Japan recognize SCAP's action in liquidating German assets in Japan and placing the proceeds at the disposal of IARA. There is no corresponding provision in the U.S. draft. Since the liquidation of German assets in Japan has not been completed, and action by the Japanese Government is still required, it is desirable to secure an agreement with Japan on this subject. The agreement, however, can be negotiated separately from the peace treaty. It should be concluded, however, either before, or at the time the peace treaty is concluded.

Article 30—Debts

Paragraph 1 is not necessary because it can be assumed that Japan recognizes the principle stated.

Paragraph 2 is too vague to be of value.

Paragraph 3 is irrelevant if the other paragraphs of the Article are deleted.

Paragraph 4 is not necessary as it specifies a construction of the treaty which would be given to the treaty in the absence of the specification.

Neither this Article nor the U.S. draft deals with the effect of payment of debts owed to Allied nationals made by residents of Japan

to the Japanese Government during the war. This subject can, however, be dealt with in an agreement separate from the treaty, or can be left to be decided by Japanese law.

Article 31—Pre-war Claims

This Article is not necessary as it can be assumed that Japan recognizes the principle stated.

Article 32—General Economic Relations

The British draft reflects a high degree of craftsmanship. However, it enumerates the various categories of commitments in detail, in contrast with the approach of stipulating brief and simple but none the less comprehensive and sufficient terms finally adopted by the Department.

If it should prove necessary to revert to the detailed approach, the earlier detailed draft prepared in the Department should be compared with the British proposal with a view to a consolidated redraft embodying the best features of both. It may be noted in this connection that provisions similar to paragraphs 2, 3, and 4 of the British draft were not included in any of the Department's drafts. Nor does the Department's draft include such an item as 1 (d) of the British draft relevant to the delicate subject of immigration. With respect to the latter subject, the Senate has usually frowned upon the inclusion in treaties of provisions which contain or appear to contain provisions which may commit the United States.

In any event, it would appear necessary to establish a time limit on the type of commitments contained in the reference article. As drafted, these provisions would appear to run in perpetuity subject only to the provisions of paragraph 1 of Article 20. The latest United States draft provides that such treatment shall be accorded for three years from the first coming into force of the treaty. It would also appear necessary to include certain general reservations which would enable Japan to apply measures to safeguard its external financial position and balance of payments or its essential interests, and the exceptions customarily included in commercial agreements.

Article 36—War Graves

The Article refers to the necessity for the negotiation of agreements on war graves. The subject need not, therefore, be dealt with in the treaty.

Annex II—Special Provisions Relating to Certain Kinds of Property

It is recommended that Section A (Industrial, Literary and Artistic Property) of Annex II which the British have proposed in connection with the Japanese Peace Treaty be opposed.

The patent and trade mark provisions of the FEC policy statements³ promulgated in 1949 should not be contradicted or unduly modified by the Treaty. Any provisions in the treaty differing greatly from the FEC policy provisions would cause confusion and create conflicting rights since the Japanese Government has already undertaken extensive measures, on the basis of SCAP directives, to implement the FEC provisions. The proposed British draft differs considerably from the FEC policy statements particularly in the "effective date of loss" provisions governing restoration and the stipulation of a deadline date for applicants to seek restoration rights.

Any provisions incorporated into the Treaty relating to industrial, literary or artistic property should conform strictly to the FEC policy statements. However it is believed that there is no need for dealing with this subject in the peace treaty. If, by the time the treaty is finally negotiated, the programs for restoration of Allied rights have been completed, or are nearing completion by the Japanese Government, no agreement with Japan on this subject will be required. If the programs are not nearing completion, a separate agreement can be negotiated.

Section B (Insurance) of Annex II concerns the terms under which foreign (UN) insurers can resume their activities in Japan. Such terms can more appropriately be made the subject of commercial agreements between interested governments and the Japanese Government after the peace treaty is concluded.

³ For texts of the policy decision of March 17, 1949, "Policy toward Patents, Utility Models, and Designs in Japan," and the decision of July 28, 1949, "Trade-Marks, Trade Names and Marking of Merchandise in Japan," see Department of State *Press Releases*, 1950, No. 61, August 10, "Third Report by the Secretary General on the Activities of the Far Eastern Commission, 24 December 1948-30 June 1950," pp. 16-20.

Lot 54D423

*Memorandum by the Consultant to the Secretary (Dulles) to the
Secretary of State*

TOP SECRET

[WASHINGTON,] April 25, 1951.

I attach herewith a memorandum of the talk I had at the Pentagon this morning.

JOHN FOSTER DULLES

[Attachment]

MEMORANDUM

I have just come from a meeting at the Pentagon with Secretary Marshall, General Bradley, the three Joint Chiefs and the three serv-

ice Secretaries,¹ also Earl Johnson. I reported on my trip to Japan and gave my estimate of the situation.² We discussed the present program.

The meeting was informal and no formal decisions were taken, but Secretary Marshall expressed the conclusion, in which all seemed to concur, that we should proceed to push ahead for an early Japanese Peace Treaty signature, keeping a string on the situation through the timing of ratification.

It seems to be the general view that it would be very difficult to conduct a major Korean campaign from a Japanese base if Japan's full sovereignty were restored. Also there was some feeling that Japan needed to be further strengthened from the standpoint of United States ground forces.

Secretary Marshall seemed to feel that we were warranted to proceed on the assumption that if the present offensive were repulsed the Korean situation might settle down to a point where there would be a more or less stabilized line largely held by South Korean forces with some United States troops in reserve as against a renewed major thrust and some troops presently in Korea moved back to Japan.

In any event there was no disposition at this time to seek the reopening of the Presidential directive of January 10, 1951³ calling for an early Japanese peace settlement, subject of course to the reservation therein expressed with respect to the effective date of the treaty through ratification.

I said that it was not yet apparent whether the British really wanted to go along with us or whether they wanted to split with us on Japan as they had on China. I said this would probably not be developed for a few weeks, during which time I might have to go to England. I said that if there was going to be a definite split on policy with Japan that might introduce new elements which would make it desirable to review the situation.

I also said that in my opinion it was undesirable at the present time to attempt to formulate a so-called "addendum" attempting to define our rights if the Japanese Peace Treaty should come into effect through ratification at a time when fighting in Korea and perhaps elsewhere was still in progress. I said that recent attempts to figure out all the contingencies might involve demands on Japan that could be frightening. I thought that if it should later seem wise to have the

¹ Frank Pace, Jr., Secretary of the Army; Francis P. Matthews, Secretary of the Navy; Thomas K. Finletter, Secretary of the Air Force.

² On May 2, Mr. Dulles reported orally to the Under Secretary's Meeting on his trip to Japan. A summary of his remarks is included in document UM N-339 in Lot 53 D 250: The Under Secretary's Meeting.

³ See enclosure 2, as annotated, to the letter of January 9, from Mr. Acheson to Secretary Marshall, p. 788.

treaty come into force through ratification while the fighting was still on, the "addendum" could then be better drafted and accepted than so far in advance. This last suggestion was made after the meeting was breaking up and I got no sense of the judgment of the group on this point.

Editorial Note

In his memorandum of September 18, 1951, "Summary of Negotiations Leading Up to the Conclusion of the Treaty of Peace with Japan," Mr. Fearey stated in part:

"On April 25 there arrived in Washington a group of British technical experts who with their opposites on the United States side succeeded during the following week, under the chairmanship of Mr. Allison, in marrying in one tentatively agreed joint draft the United States March draft and a longer British draft circulated in early April to the British Commonwealth Governments. The British draft, though not an agreed Commonwealth document, was in large degree the product of overall Commonwealth thinking evolved through a series of Commonwealth meetings on the treaty. . . . The joint draft, dated May 3, left undecided the major policy differences then existing between the United States and the United Kingdom Governments (primarily Chinese representation, disposition of Formosa, and disposition of Japanese owned gold and assets in neutral and ex-enemy countries), but successfully reconciled the United Kingdom concern for a technically precise and comprehensive treaty with the United States desire for a document sufficiently simple and brief to be widely read and understood." (694.001/9-1851)

For the United States "March draft" and the joint draft of May 3, see pages 944 and 1024, respectively. The Department's copy of the British draft of April 7 is not printed.

The talks concluded May 4. The chief British negotiator was Charles H. Johnston, Head of the Japan Department of the Foreign Office, who was assisted by legal and economic advisers from London as well as members of the British Embassy staff. On the American side, Mr. Allison was assisted by, among others, U. Alexis Johnson, Arthur Ringwalt (First Secretary of the Embassy in London), and Messrs. Hemmendinger, Fearey, and Fraleigh. (Memorandum from Mr. Allison to Mr. McDermott, May 4, 1951, Lot 54 D 423)

Detailed minutes of these negotiations have not been found in Department of State files, nor has indication been found that such notes were taken by either team. However, working copies of the American and British drafts which formed the basis of negotiation and which bear extensive marginalia are in Lot 54 D 423. Also, an unsigned, undated document titled "Check List of Positions Stated by U.S. and U.K. at April 25-27 Meetings" is in file 694.001/4-2751. It is not

printed because it is impossible to follow without reference to the British draft, which is omitted because of space requirements.

In a memorandum of May 10 to General Ridgway, Ambassador Sebald stated in part:

"The principal differences between the two drafts are as follows:

(a) The new U.K.-U.S. draft more nearly approximates in form and in attention to detail the model of traditional peace agreements, as for example that agreed upon in 1947 by the Allied Powers and Italy.

(b) Regarding territorial provisions the U.K. has substantially followed the earlier U.S. draft but has reserved its position on a clause providing for Japan's renunciation of rights and claims to Formosa and the Pescadores (Article 2 of new draft).

(c) Regarding Japan's security the U.K.-U.S. draft contains a new provision (Article 7), which has been made subject to further U.S. consideration, that all Allied Forces shall be withdrawn from Japan no later than 90 days after the coming into force of the Treaty, but that nothing shall prevent the stationing or retention of foreign armed forces in Japanese territory pursuant to bilateral agreements made between one or more of the Allied Powers and Japan. The security provisions of the U.K.-U.S. draft also provide in the same Article that Japanese property in use by the Occupation Forces at the time of the coming into force of the Treaty shall be returned to the Japanese Government within 90 days unless other arrangements are made by mutual agreement.

(d) The U.K.-U.S. draft contains more specific though probably not more stringent provisions regarding the continuation of pre-war Japanese treaties, economic relations with Japan, and claims against Japan.

(e) The U.K.-U.S. draft also omits from the Chapter on Final Clauses a specific provision that Japan will not make a peace settlement or war claims settlement with any state which would grant that state greater advantages than those granted under the present Treaty." (Tokyo Post Files: 320.1 Peace Treaty)

794.00/4-3051

The United States Political Adviser to SCAP (Sebald) to the Director of the Office of Northeast Asian Affairs (Johnson)

PERSONAL SECRET

Tokyo, April 30, 1951.

DEAR ALEX: We hope through the course of today to be able to telegraph the verbatim text of General Ridgway's Constitution Day statement to the Japanese people,¹ which, I understand, is being given to the press shortly for release on May 3.

¹ Not printed here.

The key paragraph in the statement is the one which states in effect that the Japanese Government has been authorized to re-examine all ordinances based upon SCAP directives, with a view to making necessary changes in accordance with experience to date.

I attended a staff conference yesterday over which General Ridgway presided, and at which the proposed statement was discussed. The purpose of the paragraph mentioned above is to give the Japanese Government authority to re-examine the entire purge question, with a view to ameliorating the purge to the point where it will not be more severe than provided for by FEC Policy Decisions. This is in accordance with the Department's policy, I believe, as exemplified in Article 13 of NSC 13/2.² Government Section is being charged with inviting the Japanese Government's attention to the purpose of the paragraph in question, which has purposely been broadly phrased in order not to focus attention specifically upon the purge. It is my understanding that all army and navy officers who became commissioned subsequent to the outbreak of the China Incident in 1937—with perhaps a few minor exceptions—will be included in the depurge. Additionally, large numbers of local officials, teachers, industrialists, government officials, publicists, etc., will probably also eventually be depurged.

When asked for my opinion at the staff conference, I said that this action is long overdue, it is in conformity with U.S. policy, as I understand it, and that the depurge of the many people who would be included in this action will do much to lessen an irritant which has been growing year after year. I said also that this action would go far in cementing future good relations with a select and influential class of Japanese.

It will, of course, take some time before the Japanese Government will be in a position to implement the authority granted in the Constitution Day statement, but I will do everything possible to expedite action, as I believe this is what the Department wants. I might say that the consensus of the conference was that if the cut-off date for military and naval officers should be made early, e.g., as a maximum, 1931, Washington should be queried and support of the United States Government requested. Frank Rizzo, Chief of the Government Section, on the other hand feels that we are on entirely safe ground if 1937 is adopted as the cut-off date.

As the information contained herein reflects the discussion in a highly classified conference, I would appreciate your limiting the information to those who need to know.³

Sincerely yours,

W. J. SEBALD

² For NSC 13/2, see *Foreign Relations*, 1948, vol. vi, p. 858.

³ For further documentation on this topic, see Mr. Johnson's reply of May 16, p. 1045.

694.001/5-351 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP
(Sebald)*

SECRET

WASHINGTON, May 3, 1951—6 p. m.

"Topad 1563. For Sebald from Dulles. Refer to Art 15, US draft treaty text.¹ Discussions with Brit Del here convince us necessity of Japan actually adopting domestic legis for yen compensation in satisfactory form with provision that it shall be operative as regards nationals of Allied Powers as of the date of coming into force of Peace Treaty between Japan and that Allied Power. Treaty cld then provide that in substance "compensation will be made in accordance with Jap domestic legis embodied in Diet Law No. Blank". We believe Brit will be unwilling to rest right to compensation on mere promise of future domestic legis. Pls cable Jap reaction."² [Dulles.]

ACHESON

¹ Of March 23, p. 944.

² Documents in file 694.001 for May and June of 1951 indicate that the Japanese Government stated it had no objection in principle to such legislation, was unable to schedule its consideration at the then current regular session of the Diet, and would convoke prior to the signing of the peace treaty an extraordinary session of the Diet for the specific purpose of passing it. Informal negotiation on the details of the compensation law ensued between the Mission and the Foreign Office, the former acting on the basis of telegraphed instructions from Washington. In telegram 1763 to Tokyo, June 16, the Department in part instructed the Mission to request the Japanese Government to prepare a complete draft in advance of Mr. Allison's arrival in Tokyo June 24. (694.001/6-1651)

Tokyo Post Files : 320.1 Peace Treaty

*Joint United States-United Kingdom Draft Peace Treaty*¹

[SECRET]

WASHINGTON, [May 3,] 1951.

U.K. contributions²U.S. contributions²JOINT UNITED STATES-UNITED KINGDOM DRAFT PREPARED DURING THE
DISCUSSIONS IN WASHINGTON, APRIL-MAY 1951

PREAMBLE

..... hereinafter referred to as "the Allied Powers", of the one part, and Japan, of the other part;

Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign

¹ This draft was not formally circulated to other interested powers.

² The source text used here is enclosed with a letter of May 25, not printed, from George Clutton, Chargé of the British Liaison Mission in Tokyo, to Mr. Bond. It is identical to copies of the May 3 draft of American origin except for the marginal markings.

equals, co-operate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them and will enable Japan to carry out her declared intentions to apply for membership in the United Nations Organization and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realise the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-war Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Whereas the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

Have therefore agreed to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries, who, after presentation of their full powers, found in good and due form, have agreed on the following provisions.

CHAPTER I

PEACE

Article 1

The state of war between Japan and each of the Allied Powers is hereby terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned.

CHAPTER II

TERRITORY

Article 2

Japan renounces all rights, titles and claims to Korea (including Quelpart, Port Hamilton and Dagelet), [Formosa and the Pescadores]; and also all rights, titles and claims in connection with the mandate system [or based on any past activity of Japanese nationals in the Antarctic area]. Japan accepts the action of the United Nations Security Council of April 2, 1947, in relation to extending the trusteeship system to Pacific Islands formerly under mandate to Japan. (U.K. reserves position on passages between square brackets.)

Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the administering authority, the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the

Volcano Islands, Parece Vela and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters. (U.K. reserves original paragraph 1 of Article 5 of U.K. draft.)

Article 4

Japan cedes to the Union of Soviet Socialist Republics the Kurile Islands, and that portion of South Sakhalin and the islands adjacent to it over which Japan formerly exercised sovereignty.

Article 5

(a) Except as may be otherwise agreed by the Allied Power concerned and Japan, Japan renounces all rights, titles and interests of Japan and its nationals (including juridical persons) in, and all claims in respect of, property situated in the territories mentioned in Articles 2 and 4 and undertakes to deliver to the Allied Power concerned records, archives and similar property pertaining directly to the government and administration of the areas ceded or renounced.

(b) Claims of residents of the territories ceded or renounced pursuant to Articles 2 and 4 hereof against Japan and persons in Japan (except claims arising out of trade and financial relations since September 2, 1945) shall be the subject of arrangements between the Allied Power concerned and Japan, taking cognizance of Japanese property in the respective territories renounced by Japan pursuant to paragraph (a) above.

(c) The disposition of property and claims relating to areas referred to in Article 3 shall be the subject of special arrangements.

(d) Japanese submarine cables connecting Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan retaining the Japanese terminal and adjoining half of the cable and the detached territory the remainder of the cable and connecting terminal facilities.

(Note: The problem of Japanese liability for debts in respect of properties in renounced or ceded territories remains to be considered.)

CHAPTER III

SECURITY

Article 6

(a) Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular obligations

(i) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(ii) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the Purposes of the United Nations;

(iii) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any state against which the United Nations may take preventive or enforcement action.

(b) The Allied Powers, for their part, recognise that Japan as a sovereign nation possesses the inherent right of individual or collective self-defence referred to in the Charter of the United Nations and that Japan may voluntarily enter into a collective security arrangement or arrangements participated in by one or more of the Allied Powers.

(Note: Paragraph (b) is subject to further consideration by U.S.)

Article 7

(a) All armed forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter. Nothing in this provision shall however prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bilateral or multilateral agreements which have been or may be made between one or more of the Allied Powers, on the one hand, and Japan on the other.

(b) All Japanese property for which compensation has not already been paid, which was supplied for the use of the occupation forces and which remains in the possession of those forces at the time of the coming into force of the present Treaty, shall be returned to the Japanese Government within the same 90 days unless other arrangements are made by mutual agreement.

(Note: This Article is subject to further consideration by U.S.)

CHAPTER IV

POLITICAL AND ECONOMIC CLAUSES

Article 8

(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its pre-war bilateral treaties with Japan it wishes to keep in force or revive, and any treaties so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. They shall resume their force three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties not so notified shall be regarded as abrogated.

(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty any territory

for the international relations of which the notifying Power is responsible, until three months after notice cancelling this exception is given.

Article 9

(a) Japan undertakes to recognize the full force of all treaties now or hereafter concluded for terminating the state of war initiated on September 1st 1939, as well as any other arrangements for or in connection with the restoration of peace. Japan also accepts the arrangements made for terminating the former League of Nations and Permanent Court of International Justice.

(b) Japan renounces all such rights and interests as she may derive from being a signatory power of the Convention of St. Germain-en-Laye of September 10th, 1919, and the Straits Agreement of Montrenx of July 20th, 1936, and from Article 16 of the Treaty of Lausanne of July 24th, 1923.

(c) Japan renounces all rights, title and interests resulting from the agreement with Germany dated 20th January 1930, the Convention dated 20th January 1930, and its Annexes concerning the Bank for International Settlements and the Trust Agreement dated 17th May 1930. Japan undertakes to notify to the Ministry of Foreign Affairs at Paris, within six months of the coming into force of the present treaty, her renunciation of the rights, title and interests referred to in this paragraph.

(Note: U.S. reserves its position regarding the Convention of St. Germain-en-Laye, and the Bank for International Settlements.)

Article 10

Japan agrees to enter promptly into negotiations with Allied Powers so desiring for the conclusion of new bilateral or multilateral agreements for the regulation, conservation and development of high seas fisheries.

(Note: U.K. reserves original paragraph 2 of Article 34 of U.K. draft.)

Article 11

Japan renounces all special rights and interests in China.

Article 12

The power to grant clemency, reduce sentences, parole and pardon (the last only when newly discovered evidence so warrants) with respect of the war crimes sentences imposed by military tribunals of the Allied Powers on persons who are imprisoned in Japan may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on the recommenda-

tion of Japan. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

(*Note: U.K. reserves the first sentence of Article 21 of U.K. draft and on the use of the word "pardon".*) ³

Article 13

(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place on a stable and friendly basis the commercial, maritime and trading relations between them.

(b) Pending the coming into force of the relevant treaty or agreement Japan will, during a period of five years from the coming into force of the present Treaty, accord to each of the Allied Powers and its nationals (including juridical persons), on condition of herself in fact receiving in respect of the same matter national or most-favoured nation treatment, as the case may be, from the Allied Power concerned.

(i) most favoured nation treatment with respect to customs duties, charges, import and export restrictions, and all other regulations imposed on or in connection with the importation or exportation of goods;

(ii) national or most favoured nation treatment, whichever is the more favourable, with respect to imported products, vessels, property, interests, business, financial, commercial and professional activities in Japan; and with respect to shipping and navigation (excluding/including) coastal and inland navigation; such treatment shall include all matters pertaining to taxation and the levying of taxes, access to the Courts, the conclusion of contracts, the acquisition, ownership and disposal of property of all kinds, the creation of and participation in juridical persons constituted under Japanese law, and the treatment of any such juridical persons in which Allied Nationals have a participation.

(c) Allied nationals (including juridical persons) shall be granted equitable treatment (which shall not be less than national treatment) in respect of any measures involving the expropriation of their property, rights or interests in Japan. There shall be no such expropriation without the payment of adequate and effective compensation.

(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most

³ In the Department's copy of the British April 7 draft, this sentence reads as follows: "Japan undertakes to accept the judgments and carry out the orders of the International Military Tribunal for the Far East, and of all other duly constituted Allied War Crimes courts both within and outside Japan, respecting convictions and sentences imposed upon Japanese nationals." Additionally, Article 21 of that draft contains no provision for pardon, though it does for clemency, reduction of sentence, and parole. (Lot 54 D 423)

favoured nation treatment, as the case may be, if such measure is based on an exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party's external financial position, balance of payments or essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

(e) Where an Allied Power has responsibility for the international relations of non-metropolitan or overseas territories, or consists of a federal state, lack of reciprocity afforded to Japan in one or more of such territories or in one or more of the constituent states of the federation shall not constitute a ground for the refusal by Japan of the treatment provided for by paragraph (b) of this Article to the other territories (including the metropolitan territory itself) or to the other states, or to persons, vessels, or juridical persons resident, registered, or constituted in such other territories or states as the case may be, or to the federal government. Similarly lack of reciprocity on the part of the metropolitan territory or federal government shall not of itself be a ground for the refusal of the said treatment to the other territories or constituent states, or to persons, vessels or juridical persons resident, registered or constituted in such other territories or states, as the case may be.

(f) Japan's obligations under paragraph (b) of this Article shall not be affected by the exercise of any Allied rights under Article 15 of the present Treaty; nor shall the provisions of that paragraph be understood as limiting the undertakings assumed by Japan by virtue of Article 16 of the Treaty.

(Note: The references to Articles 15 and 16 in paragraph (f) are understood by the U.K. as references to Articles 27 and 26 respectively, of the U.K. draft. Article 13 is subject to further consideration on the part of both Governments.)

Article 14

Pending the conclusion of civil air transport agreements, Japan, during a period of five years, shall extend to each of the Allied Powers not less favourable international civil air traffic rights and privileges than those they respectively exercised at the time of coming into force of the present Treaty.

(Note: U.K. reserves Article 33 of the U.K. draft.) ⁴

⁴ In the Department's copy of the British April 7 draft, this article is as follows:

"1. Pending the coming into force of Civil Air Transport Agreements between individual United Nations and Japan, Japan shall, in all matters concerning Civil Aviation, grant to each of the United Nations unconditional most favoured nation treatment, or not less favourable air traffic rights and privileges than they

CHAPTER V
CLAIMS AND PROPERTY

Article 15

(a) The Allied Powers recognize that Japan lacks the capacity to make payments in bullion, money, property or services which would enable Japan to maintain a viable economy, to meet its obligations for relief and economic assistance furnished since September 2, 1945, in furtherance of the objectives of the occupation, and also to make adequate reparation to the Allied Powers for war damage. However, each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights, and interests of Japan and of Japanese nationals (including juridical persons) which at any time between December 7 1941 and the coming into force of the present Treaty were subject to its jurisdiction, except:

(i) property of Japanese nationals permitted to reside during the war in the territory of one of the Allied Powers, except property subjected during that period to measures not generally applicable to the property of Japanese nationals resident in such territory;

(ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;

(iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(iv) property rights arising out of the resumption of trade and financial relations between the country concerned and Japan or acquired pursuant to authorisation by the country concerned before the coming into force of the present Treaty.

Property referred to in this paragraph shall be returned net of any expenses incident to its preservation. If any such property has been liquidated the proceeds shall be returned instead.

(b) The right to seize, retain, liquidate or otherwise dispose of Japanese property referred to in paragraph (a) above shall be exercised in accordance with the laws of the Allied Power concerned, and the Japanese owner shall have only such rights as may be given him by those laws.

(c) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favourable to Japan as circumstances ruling in each country will permit.

enjoyed immediately before the coming into force of the present Treaty, which ever is the more favourable.

"2. In making bilateral or multilateral agreements relating to International Air Transport with any of the United Nations, Japan shall grant or exchange air traffic rights and privileges on a liberal and non-restrictionist basis, subject in each case to reciprocity."

(*Note:* The foregoing suggestions regarding reparations are made subject to current exchanges of views.)

(*Note:* U.K. reserves Articles 23 and 28 of U.K. draft and the question of dates in this and other relevant Articles.)

(*Note:* U.S. reserves its position with respect to the following of assets into Japan.)

Article 16

Within six months [one year] ⁵ from the coming into force of the present Treaty Japan will, upon demand, return the property, tangible and intangible, and all rights or interests of any kind, in Japan of each Allied Power and its nationals (including juridical persons) within Japan between December 7, 1941 and September 2, 1945, unless the owner has freely disposed thereof without duress or fraud. In the case of loss or damage to property of nationals (including juridical persons) of Allied Powers in Japan compensation will be made in accordance with Japanese domestic legislation in yen subject to Japanese foreign exchange regulations.

(*Note:* This Article is dependent on the nature of the legislation to be passed by Japan. In the meantime the U.K. maintains Articles 24 and 26 ⁶ of the U.K. draft and also reserves on the drafting of the present Article. The U.S. is preparing a draft on patents and trademarks, and the U.K. on literary and artistic property and insurance deposits and reserves, for inclusion in the present Chapter).

(*Note:* A stipulation regarding immunity from taxes, levies or other charges along the lines of paragraph 4(c) and 6 Article 26 of the U.K. draft may have to be included if satisfactory provision on this point is not included in the Japanese domestic legislation.)

Article 17

(a) Upon the request of any of the Allied Powers, the Japanese Government shall review and revise in conformity with international law any decision or order of the Japanese Prize Courts in cases involving ownership rights of nationals (including juridical persons) of that Allied Power and shall supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued. In any case in which such review or revision shows that restoration is due, the provisions of Article 16 shall apply to the property concerned.

⁵ Brackets here and in Article 23 are in the source text.

⁶ In the Department's copy of the British April 7 draft Article 24 contains detailed provisions regarding the restitution by Japan of property removed by her from any of the United Nations. Article 26 dealt with the restoration by Japan of property of any United Nation or its nationals existing within her borders on September 1, 1939.

(b) The Japanese Government shall take the necessary measures to enable nationals (including juridical persons) of any of the Allied Powers at any time within one year from the coming into force of the present Treaty to submit to the appropriate Japanese authorities for review any judgment given by a Japanese court between 7th December 1941 and the coming into force of the present Treaty in any proceedings which any such national was unable to make adequate presentation of his case either as plaintiff or defendant. The Japanese Government shall provide that, where the national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances.

(Note: A reference to paragraph (a) should be included in paragraph 1 of Article 35 of the U.K. draft to provide for settlement of any dispute as to the rule of international law to be applied.)

Article 18

(a) Japan recognizes that the intervention of the former state of war does not affect the obligation of the Japanese Government or of Japanese nationals (including juridical persons) to pay debts and perform other contractual obligations, including those in respect of bonds, or to consider on their merits claims for loss or damage to property, or for personal injury or death, which arose before the existence of a state of war and which may be due to or may be presented by the Government or nationals (including juridical persons) of an Allied Power.

(b) Japan affirms its liability for the pre-war external debt of the Japanese State and for debts of corporate bodies subsequently declared to be liabilities of the Japanese State and expresses its intention to enter on negotiations at an early date with its creditors with respect to the resumption of payments on those debts; agrees to facilitate negotiations in respect of private pre-war claims and obligations; and agrees to facilitate the transfer of sums as to which liability has been recognized or may be established.

(Note: Problem of Japanese liability for debts in respect of properties in renounced or ceded territories remains to be considered.)

Article 19

(a) Japan waives all claims of Japan and its nationals (including juridical persons) against the Allied Powers and their nationals (including juridical persons) arising out of the war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

(b) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between September 1 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

(c) The Japanese Government also renounces all claims (including debts) against Germany and German nationals (including juridical persons) on behalf of the Japanese Government and Japanese nationals (including juridical persons) with the exception of claims arising from contracts and rights acquired before 1st September 1939, but including intergovernmental claims and claims arising from contracts and rights acquired before 1st September 1939, but including intergovernmental claims and claims for loss or damage sustained during the war.

(Note: U.S. desires to consider further paragraphs b and c.)

Article 20

Japan agrees to take all necessary measures to ensure such disposition of German assets in Japan as has been or may be determined by those powers entitled under the Protocol of the proceedings of the Berlin Conference of 1945⁷ to dispose of those assets, and pending the final disposition of such assets to be responsible for the conservation and administration thereof.

CHAPTER VI

SETTLEMENT OF DISPUTES

Article 21

If in the opinion of any Party to the present Treaty there has arisen a dispute concerning the interpretation or execution of the Treaty, which is not settled by other agreed means, the dispute shall, at the request of any party thereto, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated October 15, 1946, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect of all disputes of the character referred to in this Article.

(Note: U.K. reserves paragraph 1 of Article 35 of the U.K. draft.)⁸

⁷ For text of August 1, 1945, annotated to show later modification, see *Foreign Relations*, 1945, The Conference of Berlin (The Potsdam Conference), vol. II, pp. 1477-1498.

⁸ In the Department's copy of the British April 7 draft, Article 35, paragraph 1 provides in part for settlement of disputes by special tribunals (appointed by the President of the ICJ) rather than by the ICJ itself.

CHAPTER VII
FINAL CLAUSES

Article 22

The present Treaty shall, until it comes into force in accordance with Article 23, paragraph (a), remain open for signature on the part of any State at war with Japan. It shall thereafter be open to accession by any such State which has not signed it. All signatory and acceding States shall be deemed to be Allied Powers for the purposes of the Treaty.

Article 23

(a) The present Treaty shall be ratified by the States which sign it, including Japan, and will come into force for all the States which have then ratified it, when instruments of ratification have been deposited by Japan and by a majority, including the United States of America as the principal occupying Power, of the following Powers, namely Australia, Burma, Canada, Ceylon, China, France, India, Indonesia [Korea], the Netherlands, New Zealand, Pakistan, the Philippines, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, and the United States of America. It shall come into force for each State which subsequently ratifies or accedes on the date of the deposit of its instrument of ratification or accession.

(b) If the Treaty has not come into force within nine months after the date of the deposit of Japan's ratification, any State which has ratified or which is entitled to accede to it may bring the Treaty into force between itself and Japan by a Notification to that effect given to the Governments of Japan and of the United States of America.

Article 24

All instruments of ratification or accession shall be deposited with the Government of the United States of America which will give notice of them and of the date of their deposit, as also of any notifications made under paragraph (b) of Article 23, to all the signatory and acceding States.

Article 25

Except for the provisions of Article 11 hereof, the present Treaty, shall not confer any rights, titles or benefits on any State unless and until it signs and ratifies or accedes to the Treaty; nor, with that exception, shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the treaty in favour of a State which does not sign and ratify, or accede to it.

Article 26

The present Treaty shall remain deposited in the archives of the Government of the United States of America by whom each signatory State will be furnished with a certified copy and will be notified of the date of the coming into force of the Treaty under paragraph (a) of Article 23.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done at _____ this _____ day of _____ 1951, in the English and Japanese languages, the English text being authentic.

(The substance of Annex III of the U.K. draft (Contracts of Insurance) will be incorporated in Annex V (Contracts, etc.) which will then be circulated to the other Powers with the draft Treaty and will form the subject of a separate multilateral protocol to be signed by Japan and the other interested Powers at the same time as the Peace Treaty.)

PROTOCOL

With respect to the Treaty of Peace signed this day, the Government of Japan makes the following Declaration :

1. Except as otherwise provided in the said Treaty of Peace, Japan recognises the full force of all presently effective international instruments to which she was a party on 1st September 1939, and declares that she will, on the coming into force of the said Treaty, resume all her rights and obligations under those instruments. Where, however, participation in any instrument involves membership in an international organisation of which Japan ceased to be a member on or after 1st September 1939, the provisions of the present paragraph shall be dependent on Japan's readmission to membership in the organisation concerned.

2. It is the intention of the Japanese Government formally to accede to the following international instruments within six months of the coming into force of the Treaty of Peace :

1. The International Convention for the regulation of whaling signed at Washington on 2nd December 1946, as subsequently amended;

2. The Protocol amending the 1931 Narcotics Convention signed at New York on December 11th, 1946.

3. The Protocol on the Traffic in Synthetic Drugs signed at Paris on 19th November 1948;

4. Customs Formalities Convention 1923;⁹

⁹ For text of the International Convention relating to the Simplification of Customs Formalities, with protocol of signature, signed at Geneva, November 23, 1923, see *League of Nations Treaty Series*, vol. xxx, p. 372.

5. The International Convention on the Execution of foreign Arbitral Awards of 1927;¹⁰

6. Convention relating to economic statistics, 1928,¹¹ and Protocol 1948;¹²

7. Agreement on false indications of origin 1934.¹³

8. Convention establishing uniform rules with respect to assistance and salvage at sea 1910;

9. International load line convention, annexes and final act, 1930, as subsequently amended.

10. Each of the four Conventions on conduct in time of war signed at Geneva on 12th August 1949.¹⁴

3. It is equally the intention of the Japanese Government, within six months of the coming into force of the Treaty of Peace, to apply for Japan's admission to participation in the Convention on International Civil Aviation opened for signature at Chicago on the 7th December 1944,¹⁵ and as soon as Japan is herself a party to that Convention, to sign and accept the International Air Services Transit Agreement also opened for signature at Chicago on 7th December 1944.¹⁶

(Note: The composition of the list in paragraph 2 is subject to further consideration. The U.K. may raise a point in connection with paragraph 1 on industrial, literary, and artistic property.)

PROTOCOL

With respect to the Treaty of Peace signed this day, the Government of Japan makes the following Declaration:

Japan will recognize any Commission, Delegation or other Organization authorized by any of the Allied and Associated Powers to identify, list, maintain or regulate its war graves, cemeteries and memorials in Japanese territory; will facilitate the work of such Organizations, and will, in respect of the above-mentioned war graves, cemeteries and memorials, enter into negotiations for the conclusion of such agreements as may prove necessary with the Allied or Associated Power concerned, or with any Commission, Delegation or other Organization authorized by it.

¹⁰ Signed at Geneva, September 26; see *League of Nations Treaty Series*, vol. XCII, p. 301.

¹¹ Signed at Geneva, December 14; for text, see *ibid.*, vol. cx, p. 171.

¹² For the Protocol amending the Convention cited in footnote 11 above, signed at Paris, December 9, see *United Nations Treaty Series* (UNTS), vol. 20, p. 229.

¹³ For the Revision of the Agreement of 1891 for the Prevention of False Indications of Origin of Goods, signed at London, June 2, 1934, see *League of Nations Treaty Series*, vol. cxcii, p. 10.

¹⁴ See Department of State, *Geneva Conventions of August 12, 1949 for the Protection of War Victims* (Washington: Government Printing Office, 1950).

¹⁵ For text, see TIAS No. 1591, or 59 Stat. (pt. 2) 1516.

¹⁶ For text, see Executive Agreement Series (EAS) No. 487, or 59 Stat. (pt. 2) 1693.

Lot 54 D 423

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] May 3, 1951.

MR. DULLES' REPORT TO THE PRESIDENT

Mr. Dulles accompanied me to the White House and gave the President a report of his last visit to Japan. He stressed the importance of his being able to assure the Japanese government and leaders that the relief of General MacArthur did not indicate any change in our policy of pushing ahead vigorously with the Japanese peace treaty. He thought that this point was made and was strongly reinforced by the President's announcement on April 18 of arrangements to be entered into with the Philippines, Australia and New Zealand,¹ all of which would supplement and strengthen the treaty with Japan in the direction of further Pacific security.

The President expressed agreement with Mr. Dulles' hope that the present controversy on the Hill should not extend to disagreement about the Japanese peace treaty. Mr. Dulles will from time to time see General MacArthur to keep him advised of the progress of events in an endeavor to hold his sympathetic interest and support for the treaty.

D[EAN] A[CHESON]

¹ For text, see Department of State *Bulletin*, April 30, 1951, p. 699.

Lot 54 D 423

Memorandum Prepared in the Department of State

[WASHINGTON,] May 3, 1951.

AGENDA

I. JAPANESE PEACE TREATY

1. Cable to U.S. embassies of countries from which we are awaiting comments on our draft of March 1951.
2. Reply to Canada note.¹
3. Consider within Department further the matters left open with the U.K. Delegation, i.e.:
 - a. Formula for Formosa.
 - b. Formula for Congo Basin Treaty.
 - c. Formula for services as reparation to occupied and damaged countries.

¹ Of May 1, not printed. (694.001/5-151) The United States reply of May 8 is not printed. (694.001/5-151)

- d.* Can signature of "China" be avoided at the initial signing, leaving the Japanese to deal with "China" as it sees fit?
- e.* Status of Korea on initial signing.
- f.* Shall U.S.-U.K. make a joint proposal on basis of new agreed text?

4. Consider schedule for final wind-up with U.K. after other government comments received. Presumably this would be in London the latter part of May or the first of June, the time to be coordinated with the Australian-New Zealand Treaty negotiations.

5. Consider place of signing conference.

6. Discuss further with Foreign Relations Committee, particularly in relation to:

- a.* China adherence.
- b.* Korea adherence.
- c.* Treatment of Formosa.
- d.* Treatment of Sakhalin and Kurile Islands.
- e.* Treatment of Ryukyus.
- f.* Place of signing.

[Here follows section II, which deals with the proposed trilateral pact with Australia and New Zealand. It is printed on page 214.]

III. U.S.-JAPAN SECURITY PACT

- a.* Put this in final form, taking into account the most recent views of the JCS and Japan.
- b.* Clear with Foreign Relations Committee.

IV. ADMINISTRATIVE AGREEMENT WITH JAPAN FOR GARRISONING

a. Push Pentagon on this subject with view to getting an early formulation of their views. In this connection consider whether or not some general formula cannot be found to avoid a detailed specification of all facilities which might be desired.

b. Plan for clearance with Japanese, perhaps by Allison in Tokyo. When?

V. U.S.-JAPANESE FISHING TREATY

- a.* How and when shall this be handled?

Editorial Note

In telegram 5089 to London, May 8, the Department instructed Ambassador Walter J. Gifford to advise Mr. Morrison that Mr. Dulles would be available in London May 21-26 for further discussion of a Japanese peace treaty.

"The week of May 21 is suggested to enable Mr. Dulles to return to resume negots with Australia and New Zealand with the arrival here of Amb Spender. In view of present anxiety in Japan we think

it wld be undesirable to delay crucial discussions between our two govts until after conclusion of negot relating to the interdependent security pact between US, Australia and NZ. We also think it may be useful to be in position publicly to indicate that discussions between two govts such as Mr. Dulles wld have in London with Mr. Morrison preceded final phase of negotiating triangular pact thus re-emphasizing that this pact is to be made with full knowledge and cooperation of UK." (694.001/5-851) Mr. Spender presented his credentials as Ambassador of Australia to the President on June 8.

However, on May 11 Mr. Morrison replied (through the Embassy in London) in part that not only did his scheduling prevent talks at the suggested time but that the British cabinet would not be able fully to instruct him in the matter until May 28.

"The point which you make regarding Mr. Dulles' negotiations with Australia and New Zealand is a difficult one. It would, as Mr. Acheson suggests, be useful to be able to say publicly that discussions between our two govts, such as Mr. Dulles would have here, preceded the final phase of negotiating a triangular pact. This would, as you say, re-emphasize that the pact is being made with the full knowledge and cooperation of HMG and it is a point to which I attach considerable importance. My first reaction (though I have not had an opportunity to consult my colleagues) is that so far as we are concerned it would not be necessary to delay discussions with Australia and New Zealand about the security pact until such time as you and we had reached agreement on the terms of a draft Japanese peace treaty." (694.001/5-1151)

Mr. Morrison concluded by inviting Mr. Dulles to visit London early in June. By May 15, June 2 had been set as his date of arrival.

Lot 54 D 423

The Special Assistant for Occupied Areas in the Office of the Assistant Secretary of the Army (Hamblen) to the Deputy to the Consultant (Allison)

CONFIDENTIAL

WASHINGTON, May 16, 1951.

Subject: Comments on Reply to Soviet Note¹ on Japanese Treaty

1. Thank you very much for the opportunity to view the proposed reply² to the Soviet note on the Japanese peace treaty.

2. I have comments on two portions. On page 9, I suggest that the sentence which begins on line 10 be amended so as to eliminate the remainder of the sentence after the word "possess" and substitute so

¹ For texts of the Soviet note of May 7 regarding a Japanese peace treaty and the U.S. reply of May 19 (released to the press May 20), see Department of State Bulletin, May 28, 1951, p. 852.

² General Hamblen refers here to a draft of May 15. (Lot 54 D 423)

that the sentence would read "The United States contemplates that this arrangement would accept the principle that Japan should not possess military forces which would become an offensive threat against any state".³

3. The reason for the change is the lack of agreement as to what is offensive armament. We might well agree to the possession of combat aircraft by Japan. Such a plane might be considered a threat. However if the overall organization and strength of the Japanese forces was such as to preclude offensive action from Japan, she could not be rightly accused of being a threat to any other country.

4. On page 10, I suggest that the last sentence of the first paragraph be amended so as to read "Such arrangement, as contemplated by the United Nations Charter, would carry no offensive threat".⁴

5. The reason for the proposed change is that I can easily conceive a situation whereby the United States might wish to use Japan as a base under conditions whereby Japan's security was not readily recognized as being involved. If the Chinese Communists or the Soviet navies or air forces should attack the United States Seventh fleet or any other U.S. military force outside of Japan we would undoubtedly retaliate by use of U.S. forces stationed in Japan. Such use of U.S. forces might be considered as not "purely for the security of Japan".

A. L. HAMBLÉN

Brigadier General, GSC
Coordinator

³ The draft mentioned in footnote 2 above reads: "The United States contemplates that this arrangement would accept the principle that Japan should not possess armament which could be an offensive threat." The final version is as follows: "The United States Government contemplates that this arrangement would accept the principle that Japan should not possess military forces which could become an offensive threat."

⁴ The draft mentioned in footnote 2 above reads: "Such arrangement would be purely for the security of Japan, as contemplated by the United Nations Charter, and would carry no offensive threat." The final version is as follows: "Such arrangement would carry no offensive threat."

694.001/5-1651

Memorandum by Mr. Robert A. Fearey of the Office of Northeast Asian Affairs to the Deputy to the Consultant (Allison)

SECRET

[WASHINGTON,] May 16, 1951.

Subject: Inland and Coastal Shipping

The attached memorandum has just been received on the above subject from Mr. Sangstad.¹ As you will see, he recommends against the treaty's requiring Japan to open her coasting and inland trade to

¹ Memorandum of May 16, not printed, from Jesse E. Sangstad, Chief of the Shipping Policy Staff, to Mr. Fearey. (694.001/5-1651)

foreign shipping. While the memorandum contains a certain amount of useful discussion, it does not give a clear indication, though I asked for one, as to how important it is that we not give in to the British on this point. I gather, however, from talks at various times with Radius ² that it is fairly important, for the following principal reasons:

(1) The provision, if included, would give British shipping an advantage in Japan U.S. shipping would not enjoy. The hypersensitive U.S. shipping industry and lobby can be expected to oppose this strongly, even though the matter may not appear to be of great intrinsic importance.

(2) The British have a lot of coastal shipping in China. Though this shipping is now mostly active, further restrictions on its use in the China coastal and inland trade, especially if Hong Kong should be lost, might leave much of it unemployed. If this shipping, with its low cost Chinese crews, were enabled by the treaty to move over to Japanese waters the provision might work out considerably to Japan's disadvantage.

A further point which Radius makes and which seems especially valid is that this is not the sort of thing which should be included in the treaty. If the British and Japanese agree in a post-treaty bilateral commercial agreement to give one another the right to participate in each other's inland and coastal navigation, no one could object, though the agreement should probably be on a most-favored-nation basis. It does not seem appropriate, however, to use the treaty to require Japan to accord a unique commercial privilege of this type.

Walker ³ and I are now completing a draft note ⁴ to the British transmitting our redraft of Article 13 (commercial clauses). This redraft, as approved at the meeting ⁵ in Mr. Dulles' office yesterday, would not require Japan to open its inland and coastal shipping to the British or anyone else. Our position to this effect is justified in the note on the above lines.

² Walter A. Radius, Director of the Office of Transport and Communications Policy.

³ Herman J. Walker of the Commercial Policy Staff.

⁴ Not printed.

⁵ Memorandum or other record of this meeting has not been found in Department of State files.

Lot 54 D 423

*Memorandum by the Deputy to the Consultant (Allison) to the
Consultant to the Secretary (Dulles)*

SECRET

[WASHINGTON,] May 16, 1951.

Subject: Talk with Sir Oliver Franks Regarding Japanese Peace Treaty ¹

In addition to any general remarks which you may wish to make regarding your trip to London and the general spirit back of our con-

¹ Other reference to this talk has not been found in Department of State files.

cept of the Treaty, it is suggested you may wish to discuss briefly the following specific points:

1. U.S. will accept U.K. positions on War Crimes.
2. U.S. accepts U.K. redraft ² of Article on Fisheries with exception of U.K. substitution of word "states" for "Allied Powers".
3. U.S. is inclined to accept U.K. idea that Korea should not be a signatory and is drafting an article which will give Korea certain rights under the Treaty.
4. U.S. is preparing a redraft ³ of the Article on Civil Aviation which more nearly accords with U.K. point of view and will submit it shortly.
5. U.S. agrees that Japan should relinquish its position of a director in the B.I.S. but believes that question of sale of shares should be left up to private negotiation.
6. U.S. believes that with respect to the Congo Basin Treaty Japan should receive the same treatment as Italy.
7. U.S. cannot recede from its position that gold and precious metals in Japan should *not* be made available for reparations.
8. U.S. is preparing a redraft ⁴ of Article 13 of Joint U.S.-U.K. Draft on Commercial Treaties and will submit it for U.K. consideration shortly.
9. As indicated by Allison to Tomlinson the U.S. wishes to restore the paragraph waiving further reparations claims by Allies and desires to re-introduce a time limit in the adherence clause.
10. U.S. is still considering its position with respect to treatment of Japanese assets in neutral and ex-enemy countries. Suggestion might be made that Japan be urged to agree to having such assets turned over to U.N. Children's Fund or some similar international benevolent agency for use in Asia as partial recompense for devastation caused by Japanese troops.
11. With respect to Formosa problem appreciation should be expressed for Morrison's statement ⁵ as indicating a move in the right direction and the hope expressed that in view of Morrison's statement that the disposal of Formosa should not be permitted to hold up a Japanese Peace Treaty, that agreement can be reached speedily on this matter.
12. With respect to participation of Communist China in Japanese Peace Treaty, suggestion might be made that neither Communist nor Nationalist China be original signatories. The hope should be expressed that if this commends itself to the U.K., the latter for obvious reasons allow U.S. to decide how to lay the ground work and make the eventual announcement.

² Reference uncertain.

³ Probably that enclosed with the letter of May 18, 1951, from Mr. Allison to F. S. Tomlinson, Counselor of the British Embassy. Neither is printed. (Lot 54 D 423)

⁴ Probably the draft enclosed with the letter cited in footnote 3 above. It is not printed.

⁵ Apparent reference to Mr. Morrison's public statement of May 11.

694.001/5-1651: Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

SECRET

DJAKARTA, May 16, 1951—11 a. m.

1600. Recd by FonMin Subardjo 9 a. m. 16th, his invitation. He referred to Dept's request for comment on US draft Japanese Peace Treaty by May 15 (Embtel 1553).¹ He said report in process preparation but regretted could not be completed until arrival Amb Ali.²

Subardjo said he could let me know now that Indonesia favors consummation peace treaty with Japan, is much interested in this matter as a country near Japan and is appreciative of US Govt dealing directly with Indonesia on equal footing with other interested countries. Subardjo said that in line with Indonesia's independent policy, his govt wld like to see Sov Russia and Commie Chi participate in Japanese Peace Treaty. He said that if this might not, however, prove feasible, Indonesia wld be willing go ahead without them.

COCHRAN

¹ Not printed.² Dr. Ali Sastroamidjojo, Ambassador of Indonesia to the United States.

694.001/5-1651: Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET

WASHINGTON, May 16, 1951—4 p. m.

Topad 1626. For Sebald from Dulles.

London discussion with Morrison will involve handling of China in peace settlement. We shld like before then to clarify our own position on basis of merits not of compromise. As you know, we have been exchanging views fully with National Govt and draft treaty seems generally satis to them. However, question of Treaty signature on behalf China raises difficult problems. Theoretically choices are:

1. Signature by Commie regime.
2. Signature by Natl Govt, either

(a) concurrently and at same ceremony with other Allied Powers;

(b) concurrent signature of counterpart at separate ceremony not attended by other signers; or

(c) subsequent signing or adhesion as arranged between Jap and Natl Govt.

3. Deferment of any signing on behalf of China until governmental situation clarified.

No. 1 is absolutely out so far as the US is concerned for we do not consider Mao Tse-tung as real voice of China.

No. 2(a) and (b) involve apparent treatment of the Natl Govt as authorized to speak for and bind the hundreds of millions of Chi over which it has lost, at least temporarily, *de facto* auth. No. 2(a) wld be seriously objected to by probably all Commonwealth and Western Eur countries, and India, Burma and Indonesia. Even Canada, Aus, NZ which continue recognize Natl regime consider its present lack of governmental relationship to great bulk of Chi people on mainland renders it unqualified to bind them for all time in matter as important as China-Jap peace treaty. Some of these wld probably absolutely refuse give color of approbation by sharing signing ceremony with Natl China

In this connection you will recall that in 1919 while US and other Allies recognized Kerensky Govt and heard its views on the Versailles Treaty, this recognized Govt was not accepted as qualified to sign the Versailles Treaty on behalf of Russia.

The question of signing wld not, in our opinion, prejudice in any way the questions of recognition Natl Govt and maintenance of dipl and consular relations.

Today opinion in US Congress and public wld probably favor concurrent signing with Natl Govt. However, if there were to be subsequent Natl Govt signing before Treaty came to Senate for ratification the situation might, from polit standpoint, be acceptable.

Before fixing our position we consider Jap itself is entitled express views on this matter which is vitally important to it, because in long run Jap's relations with China are of paramount importance to Jap. If Gen Ridgway agrees, pls confer immed with Yoshida and get prompt expression views Jap Govt as to what their own preference wld be as to handling this matter as between choices 2(a), 2(b), 2(c) and 3, or any other course they may want to suggest. [Dulles.]

ACHESON

794.00/5-1651

The Director of the Office of Northeast Asian Affairs (Johnson) to the United States Political Adviser to SCAP (Sebald)

PERSONAL TOP SECRET

[WASHINGTON,] May 16, 1951.

DEAR BILL: While this letter was written originally in reply to yours of April 30 ¹ on the depurge, it should now assist in amplifying the Topad from Mr. Rusk to you ² on the same subject which it ap-

¹ *Ante*, p. 1022.

² Telegram 1616 to Tokyo, May 14, not printed. (794.00/5-1451)

peared advisable to despatch immediately in view of articles appearing in the Japanese press. While we recognize the factors leading to the proposal that all army and navy officers commissioned subsequent to 1937 be depurged, we believe that certain constructive steps can be taken short of this proposal which would still assist us in meeting the problem, but which would not expose us to the charge that we are flagrantly violating FEC policy decisions. So far as key individuals in political and economic fields are concerned, there is little or no problem, except possibly the desirability of leaving some persons in each category so that the principle enunciated not only in FEC policies but also in the basic US policies will not be completely repudiated.

In more specific terms, we believe that paragraph 13(a) of the FEC policy decision on the "Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment" ³ makes a flat depurging of all army and navy officers commissioned subsequent to the outbreak of the China Incident in 1937 impossible. This subparagraph provides that "Generals, Admirals, and all other senior officers, and all career officers of the Army, Navy and *gendarmarie*" shall be excluded from public office. SCAP authority to modify the application of this subparagraph, as set forth in the last part of paragraph 13, appears to be limited to a few individuals if those individuals can demonstrate that they were opponents of Japanese expansionism. This latter restriction also seems to apply to SCAP authority to modify the provisions of subparagraph *c* of the FEC decision which relates to officials of various para-military organizations. On the other hand, reserve officers, except senior reserve officers who appear to fall under the provisions of subparagraph *a* are another matter. Subparagraph *b* provides that reserve officers shall be excluded if their employment would harm the cause of peace and security, and therefore in our opinion SCAP could exempt the majority if not all of the reserve officers, except the senior reserve officers, from the purge.

Moreover, we believe that it would be reasonable to consider as reserve officers those officers who might at one time have been commissioned as career officers, but who subsequently left the service and engaged in private pursuits for a substantial period of time before being called back into service in the reserves.

TS WAR 80453, November 30, 1948, (attached) outlined as of that date, the thinking of State and Army as to the implementation of paragraph 13 of NSC 13/2.⁴ These ideas for the modification of the purge were agreed upon by the two Departments and sent to SCAP

³ FEC 017/21, February 12, 1948. For text, see *Far Eastern Commission, Second Report*, pp. 19-22.

⁴ For NSC 13/2, see *Foreign Relations*, 1948, vol. VI, p. 858.

in the form of suggestions in the belief that if these suggestions were carried out the provisions of NSC 13/2 would have been fulfilled. As you know, this was never done. However, it may prove a convenient guide to action at the present time. You will note that provisions in this cable refer to the automatic depurge of all reserve officers below the rank of Colonel which was originally drafted with the existing FEC policy decisions in mind.

If only these suggestions are carried out, the purge still would be substantially modified, the Japanese Government would be permitted to depurge the majority of those it is seeking to return to active public life, and we would avoid any charges that we are violating either the letter or the spirit of FEC decisions. Although we do not have available here the statistics that would enable us to determine the number of purges that would be depurged under this plan, recent Japanese figures indicate for example that there remain some 31,000 persons purged because of their affiliation with the IRAA and subsidiary organizations who would be freed from the purge under this plan. Moreover, there is every reason to believe that a substantial number of the purges in the military category are reserve rather than regular officers and could be depurged under this plan, and that the majority if not all of those purged for their previous economic activities could likewise be freed. The majority of the economic personnel will fall under the provisions of paragraph B of Part 3 of the enclosed cable. This provides for a mandatory review of their cases on an individual basis under more liberal standards than heretofore (Part 5 of reference cable). It may be possible to consolidate the categories listed under para B with those under para A thus making the depurge of the economic personnel automatic. On the other hand, the FEC in its "Basic Initial Post-Surrender Policy" directs SCAP to institute an economic purge, and a complete elimination of this entire category might be interpreted as a violation of the spirit if not the letter of the FEC decision. It was partly for this reason that we provided for individual review of these cases.

It is our belief that in view of the foregoing it might be appropriate to proceed at least initially by implementing the suggestions contained in the cable and in addition the few modifications we have recommended.

Since we do not know how much of the thinking in Headquarters may have been relayed to the Japanese Government, should questions arise on the part of Japanese, you may wish to point out the desirability of proceeding with the depurge within the limits set by the FEC in order to avoid criticism from other FEC member governments which might prejudice their position toward a peace settlement. So

little time now remains before the conclusion of such a settlement that it would be unfortunate to take steps that might complicate the real solution to this type of problem.

As pointed out in the Topad in view of the rapid strides being made toward the conclusion of the Japanese peace settlement and the need for the United States Government to give full international support to SCAP's action in relation to FEC policy decisions, we believe that depurge plans extending significantly beyond WAR 80453 should be referred to Washington for approval.

May I add that we are gratified to see that steps are now being taken toward the relaxation of control over the Japanese Government and do not believe that our reservations on the depurge will have serious effect on this long awaited development.

Sincerely yours,

U. ALEXIS JOHNSON

[Attachment]

Telegram From the Department of the Army to the Commander in Chief, Far East (MacArthur)

TOP SECRET

[WASHINGTON, November 30, 1948.]

WAR 80453. From CSGPO reference Paragraph 13 of NSC 13/2. This radio in five parts.

Part 1. Pursuant decision stated in reference paragraph, desire you informally advise Japanese Government that no further extension of the purge is contemplated and that the purge should be modified along the following lines:

(1) Categories of persons who have been purged or who are subject to the purge by virtue of their having held relatively harmless positions should be made reeligible for governmental business and public media positions;

(2) Certain others who have been barred or who are subject to being barred from public life on the basis of positions occupied should be allowed to have their cases reexamined solely on the basis of personal actions; and

(3) A minimum age limit should be fixed, under which no screening for public office would be required.

Part 2. Parts 3, 4 and 5 list modifications in purge believed desirable by State and Army in implementation of Part 1. Request comments.

Part 3.

A. Following categories of persons purged or barred by virtue of offices held should be freed of disabilities imposed by reason of Cabinet and Home Affairs Ministry Ordinance Number 1 of 1947, promulgated January 4, 1947, (listed categories correspond with those in Appendix to this ordinance):

Category 2 Subparas 3 and 5 Reserve Army and Navy officers below the rank of colonel.

Category 4 officials of IRAA, IRAPS, DAI Nippon Seijikai, and affiliated organizations.

Category 5 Subpara 1 directors, advisors and auditors of designated concerns.

Category 7 Subpara 8 of remarks, recommended candidates for 1952 election.

B. Following categories of persons purged or barred by virtue of offices held should be permitted in every instance to have their cases examined or reexamined on basis of individual activities on application of person concerned :

Category 5 chairman of directors, president and vice president of financial and development organizations involved in Japanese expansion.

Category 7 Subpara 6 of remarks (officials in business corporations.)

Part 4. In addition to above, no screening for public office should be required for persons under 30 years of age at time of Pearl Harbor.

All other categories of persons purged or barred remain unaffected by above modifications.

Modifications should not preclude further measures for relaxation of purge to be instituted as rapidly as you consider feasible.

Part 5. Japanese Government should be advised standards of examination under Para B part 3 above should be more liberal than under Category 7 heretofore, and that only those whose records clearly indicate they were "active exponents of militant nationalism and aggression" in positions of important responsibility should be excluded. You should ensure that appeals are acted on by Japanese Government with maximum expedition solely on basis individuals culpability under above criteria.

View here is that US should favor at peace conference elimination of purge except possibly in few highly restricted categories.⁵

⁵ For further information on this topic, see Mr. Rusk's letter of June 22 to Assistant Secretary of the Army Johnson, p. 1138.

Editorial Note

On May 17, President Truman approved and directed the implementation of NSC 48/5, "United States Objectives, Policies, and Courses of Action in Asia." A number of sections of this paper deal with United States policy toward Japan. For text, see page 33.

694.001/5-1951 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

Tokyo, May 19, 1951—6 p. m.

Topad 2001. For Dulles from Sebald. Re your 1626, May 16.¹ As requested conferred with Yoshida yesterday regarding alternate choices reftel. Yoshida desired consult with Iguchi and others and Iguchi called today on behalf PriMin. Iguchi said Japanese Govt under no circumstances desires signature by Chi Commie regime. Basically Japanese Govt wishes make peace with Chi National Govt which it considers deserves support by Japan.

Iguchi said Japanese Govt considers it desirable have Chi National Govt sign concurrently and at same ceremony with other allied powers (choice 2a). I commented that this is obviously best choice but for reasons explained to PriMin was probably not feasible. Iguchi had obviously not been briefed on my conversation with PriMin with result that I explained to him some of considerations set forth reftel. Following my explanation Iguchi stated that choice 2b wld be logical and preferred procedure. If for reasons presently not apparent, choice 2b impracticable, then no objection to choice 2c.

Iguchi said that choice 3 shld be followed only as last resort because of possibility that failure to give National Govt opportunity to become party to treaty might unduly delay ratification US Senate.²

Iguchi said that because of fervent desire for an early "majority" peace Japanese Govt wld be much disappointed if signing of treaty were delayed by reason of procedural question.

Iguchi was unable suggest any alternative course.

SEBALD

¹ *Ante*, p. 1044.

² In the course of summarizing and commenting on this telegram in a draft memorandum, not printed, of August 30, Mr. Dulles stated: "The foregoing assurances from Japan were what made the present formula [in the peace treaty regarding Chinese signature] acceptable to us." (Lot 54 D 423)

Lot 65 D 238 : Secretary's Meetings with the President

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] May 28, 1951.

Mr. Dulles accompanied me today on my visit to the President and talked with the President for about twenty minutes on his mission to London and Paris. The President was much interested in Mr. Dulles's report, followed it closely, and spoke warmly of the importance of the mission.

Three points in particular were mentioned in our discussion with the President.

The first was that our instructions were not to enter into final commitments on behalf of the United States. Both Mr. Dulles and I assured the President that we had no intention of doing this. However, it was pointed out that—and the President agreed—as these conversations went on, it inevitably became more difficult for the United States to change its position: We went over the various matters which would come under consideration. I assured the President that they were all matters on which there was complete concurrence within the Government and in his instructions. I assured the President that Mr. Dulles would keep me fully informed of his talks and that I, in turn, would keep the President fully informed.

The second point related to our present thinking in regard to any signature on the treaty on behalf of China. It was our recommendation that neither the Nationalist Government nor the Communist Government should be included as a signatory of the treaty. This was a problem primarily for the Japanese and the inclusion of either Government at this point would raise very grave problems as to whether any treaty could be brought to the point of signature. The President thought that this was the wisest course to pursue.

Third. Mr. Dulles asked the President to think over the question of a delegation to undertake the final drafting and signature of the treaty, since this decision might have to be made before very long. The President will give this matter consideration, and we will discuss it with him again.

694.001/5-2951

*Memorandum of Conversation, by the Consultant to the Secretary
(Dulles)*¹

CONFIDENTIAL

[WASHINGTON,] May 29, 1951.

Subject: Japanese Peace Treaty

Participants: Dr. V. K. Wellington Koo, Chinese Ambassador
Dr. Shao-Hwa Tan, Chinese Minister
Mr. John Foster Dulles, Consultant to the Secretary
Mr. Livingston T. Merchant, Deputy Assistant
Secretary for Far Eastern Affairs

The Ambassador of China called on me this morning at his request to discuss the two recent memoranda² of the Embassy on the subject of the draft peace treaty³ with Japan.

¹ Memorandum drafted by Mr. Merchant and approved by Mr. Dulles on June 1.

² Reference uncertain.

³ Reference is to the draft distributed to the FEC powers, Ceylon, South Korea, and Indonesia late in March and printed under date of March 23, p. 944.

At the outset I made clear that I had not had sufficient time to study these communications and that consequently, whereas I was sympathetic to their purposes as I understood them, I was in no position to give a final answer at this meeting.

Ambassador Koo first raised the question of the selection of 1937 as the date from which hostilities ran and urged that the year 1931 be substituted in its place. He pointed out that in the minds of the Chinese the Marco Polo bridge incident in 1931⁴ was regarded as the onset of the Japanese aggression against China. There followed some inconclusive discussion of this point which brought out the fact that it was not in fact until December 1941 that the Republic of China declared that a state of war existed with Japan. No effort to arrive at a decision on this point was made and I told the Ambassador that we would give careful consideration to the suggestion of his Government.

Ambassador Koo then moved on to his first main point, which was the desire of his Government that Formosa be treated in the draft treaty exactly as were the Kuriles and southern Sakhalin. I interjected that I believed he must have missed the point since the latter territories were treated in the fashion proposed in order to make clear that no legal title would be given Russia unless the USSR signed the treaty. The Ambassador pressed his point that the Chinese did not consider the treaty went far enough in requiring merely that Japan renounce the sovereignty and all claim to Formosa. He insisted that title should be specifically renounced in favor of the Republic of China, thereby avoiding what he termed as a serious blow to the morale, not only of those on Formosa but of non-Communist Chinese on the mainland.

I pointed out that the language in the draft treaty was chosen with care with a view to avoiding dispute as between "China" and "the Republic of China" and also to avoid a result which would end any basis for international concern regarding the future of Formosa such as was the basis for the President's order to the Seventh Fleet.

Ambassador Koo did not press the point further and moved on to his second point, which was the vital importance of participation by the National Government of China in the making and signing of the treaty. He asked me whether in the light of certain press stories emanating from London this was in any way open to doubt. I replied that this posed very difficult problems and that I was extremely anxious to have the suggestions of his government since we must find an acceptable solution. I stated that out of the 12 FEC members, other than China, the great majority—probably ten—would decline to be co-signers with the National Government and that it seemed to me that there was valid question as to the power of the National Govern-

⁴ The Marco Polo Bridge incident occurred July 7-8, 1937; for documentation, see *Foreign Relations, Japan, 1931-1941*, vol. I and *ibid.*, 1937, vol. III, pp. 313 ff. and 128 ff., respectively.

ment effectively to bind the 450,000,000 people of China for all time to the terms of the treaty. I said the question of power was a different question from that of the "legitimacy" of the National Government. I reminded him that certain countries such as Canada, Australia and New Zealand, which still recognized the National Government nevertheless regarded the National Government as incompetent in these terms.

Ambassador Koo launched into an eloquent but slightly confused argument on the feasibility of separating signature from ratification. He insisted that the right of the National Government to sign the treaty should not be questioned, whereas ratification might be left to the future. The Ambassador emphasized that the National Government had fought the war, that it controls Formosa and that, in any event, the Peiping regime would only accept the treaty on terms which would be unacceptable to the United States.

I brought the conversation back to practicalities, explaining the importance of concluding an early treaty with Japan lest with delay Japan should fall under Communist control and as a consequence sweep over Formosa and the Philippines as well. I emphasized the necessity of arriving at a procedure which would commend itself to a majority of the members of the FEC, and I touched on the patent impossibility of embarking on a course which might satisfy the Republic of China and the United States but leave a majority of the FEC countries unwilling to sign and technically at least in a position to inherit our occupation responsibilities and powers. I concluded by stating that we have not finally satisfied ourselves as to the answer to this problem but that the answer must be found and we must both seek it. I explained that I was leaving on Saturday⁵ for London, following which I would be in Paris for two or three days. If the Ambassador had any further suggestions or views to give me before my departure I said I would be delighted to see him, and that in any event I would look forward to talking to him again upon my return.

⁵ June 2.

694.001/5-3051 : Telegram

The Chargé in the Philippines (Harrington) to the Secretary of State

SECRET

MANILA, May 30, 1951—4 p. m.

3807. Romulo informally showed me today Phil comments on draft Jap peace treaty.¹ The fol deletions and additions are suggested. Phils attach greatest importance to recommended additions with

¹ On March 29 Philippine representatives had been handed a copy of the draft printed under date of March 23, p. 944.

respect to (1) Jap educational system and (2) chapter re claims and property. Suggested addition re education reads as fols: "Para 6 (*d*) to accept the auth of UN to direct and supervise its entire educational system for a period not exceeding twenty years from the date of the effectivity of this treaty, through such means and agencies as the UN may determine, for the purpose of ensuring the development of the concept of individual liberty, the dignity of the human person, and the democratic way of life as basic factors in the personal and national life of the Jap people".

The foregoing addition with respect to Jap educational system is followed by a suggested subpara 6 (*e*) "to accept the right of the UN to intervene for the preservation and maintenance of the supremacy of the civil over the military auths in the government of Jap, for the prevention of the rise of any form of dictatorship, and for the enforcement of any obligations of Jap under this treaty, such right of intervention to last for a period of twenty years from the date of the effectivity of this treaty. The act of intervention shall last as long as in the judgment of the UN the situation requires."

The suggested addition with respect to claims and property reads as fol: "Chapter 6, para 14, pursuant to the Potsdam Declaration and the instrument of surrender of Sept 2, 1945, the allied powers affirm and Jap accepts responsibility for causing loss and damage to the allied powers and their nationals as a consequence of the Pacific war, and agrees to make reparations therefor to each of the allied powers in the fol amounts: (Fols here the names of the allied powers entitled to reparations and the amount for each). Nothing herein shall be understood as precluding or preventing any of the allied powers to waive its share in the reparations herein provided.

"Jap, in pursuance of the provisions in the preceding para grants to each of the allied powers the right to vest, retain and dispose of all property, rights and interests of Japan and of Jap nationals, which between Dec 7, 1941 and Sept 2, 1945 were within their territories or within territories renounced by Jap, or within territories administered by any of them under United Nations trusteeship, except (1) tangible diplomatic or consular property, net of any expenses incident to its preservation; (2) property of exclusively religious or charitable institutions; and (3) trademarks identifying products originating in Japan.

"The total Jap assets granted to each of the allied powers in accordance with the foregoing shall be deducted from the reparations rights of each of the allied powers herein established.

"In case any allied power has taken property, rights or interests of an industrial character of Japan or of Jap nationals from the territory of another allied power, it will account to the other.

"Para 15. Japan will return, upon demand, within six months from

the first coming into force of this treaty, the property, tangible and intangible, and all rights or interests of any kind, in Japan of each allied power and its nationals, unless the other has freely disposed thereof without duress or fraud. In the event of war loss or damage to property of nationals of allied powers in Japan compensation will be made in accordance with Japanese domestic legis in yen subject to Japanese foreign exchange regulations.

"Para 16. Japan waives all claims of Jap and its nationals against the allied powers for action taken during the state of war hereby ended, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the allied powers in Jap territory prior to the coming into force of the present treaty."

The Phils will recommend deletion of Art 19 for reason that it compels ratification. They object to Art 20 unless it is amended so as not to bar reparations claims of the Phils now or in the future.

Full text of comments will be made available to Emb tomorrow fol final approval by Cabinet tonight. Their comments will be formally communicated through Phil Emb, Wash.²

It is to be noted that the Phil proposal on reparations omits both amt of reparations and plan for making payments. Emb believes these omissions were deliberately made as bargaining points in hope principle of reparations will be accepted.³

HARRINGTON

² On June 1 the Philippine Embassy in Washington presented the Department a copy of the Philippine comments dated May 31, not printed. (694.001/6-151)

³ In telegram 2985 to Manila, June 1, drafted by Mr. Dulles, the Department stated in part that "on question of reparations which is central from the standpoint Phils we are anxious that they shld at once realize that their present proposal seems to us meaningless since amounts and methods are blank. If amounts are nominal that is one matter. If amounts are great that is something else. If payments are in foreign exchange that is something different from goods and services. Therefore, unless Phil proposal is developed as a whole we cannot judge it." (694.001/5-3051)

694.001/6-151

*Japanese Peace Treaty: Working Draft and Commentary Prepared
in the Department of State*

SECRET

[WASHINGTON,] June 1, 1951.

PREAMBLE

I. *May 3 Draft*

[Here follows text of the Preamble of the May 3 draft. For that draft, see page 1024.]

II. *U.S. Position*

The United States proposes only two minor amendments, namely, that "its" be substituted for "her" in the seventh line of the second

paragraph and that "post-surrender" be substituted for "post-war" in the thirteenth line of that paragraph. The impersonal pronoun is believed preferable in treaty drafting, and "post-surrender" is believed the more accurate term in view of the fact that the state of war will technically continue until the coming into force of the treaty.

III. *Views of Other Governments*

Suggestions by other Governments on the Preamble not already incorporated in the May 3 draft have been mainly on the question of participation, in connection with the first paragraph of the Preamble.

Australia

"It is considered that neither government of China should be invited to sign the treaty at this stage."

Canada

Memorandum of May 1:

"The lack of unanimity among the governments which, by general consent, have the greatest interest in the Japanese Peace Treaty as to the proper Chinese signatory poses the major problem. The Canadian Government is concerned in addition with the effect of this problem on future relationships between Japan and China. It might be undesirable, from the point of view of future stability in the area, that Japan be bound to accept the signature of any Chinese government, upon which the opinion of the allied powers is divided, to a Treaty with such important implications for itself and China.

"The Canadian Government shares the views of the United States Government that an early peace treaty with Japan is desirable. For this reason and because of the difficulties already mentioned, we suggest that, while provision be made in the Treaty for signature on behalf of China, the signature be delayed for the present. An accession clause could be included in the Treaty to which China might later adhere. This procedure could also be followed in the case of other governments which might be unwilling or unable at present to adhere to the Treaty."

Memorandum of May 18:

"Although it will be the purpose of the Japanese peace treaty to look to the future in Japan's relationships with the community of nations, there is something to be said for including in the preamble some clause indicative of the fact that conclusion of the peace treaty brings to an end a situation brought on by an aggressive war. This would not be a guilt clause properly speaking but a clause designed to set the outbreak of hostilities in the proper historical perspective. As far as possible, the wording of the clause should avoid offending Japanese susceptibilities and any suggestion of revenge. The Canadian Government suggests, therefore, that there might be included in the preamble a clause along the lines of paragraph 6 of the Potsdam Proclamation. The clause should not stigmatize the Emperor, the present Japanese Government or the people of Japan but might in fact contain commendation of the steps taken by post-war Japan to

buttress itself against a repetition of such an abuse of power. It might appear strange in the eyes of the world if Italy alone, the weakest member of the aggressive triumvirate, had to admit its share of responsibility. The Canadian Government therefore suggests some such clause as the following:

‘Japan bears its share of responsibility for precipitating a war of aggression into which her people were deceived and misled by irresponsible and self-willed militarists’.”

(*Comment*—There seems to be little remaining pressure for a war guilt clause of any kind. If it appeared desirable for negotiating purposes, however, the Canadian draft might be accepted as a whereas clause between the second and third paragraphs of the Preamble.)

China

Memorandum of April 24:

“It is reported that certain Allied Powers are in favor of including the Chinese Communists as a party to the peace treaty or leaving China out as a party to the treaty. This trend of appeasement, if it is not checked in good time, would defeat the very purpose of an early peace with Japan with far-reaching repercussions throughout the world. The Chinese Government feels strongly that it is for the United States Government, as the sponsor of the peace treaty, to help forestall such a tendency and, in doing so, to bring to the fore the following facts: (a) my Government is the one recognized by the United Nations; (b) my Government is the one which fought and declared war on Japan and is the one recognized by the overwhelming majority of the countries at war or in a state of belligerency with Japan; and (c) my Government is the one representing China on the Far Eastern Commission.”

India

The Government of India consider “that the terms of the treaty should be such as not to give offense to powers like the U.S.S.R. and the Central People’s Republic of China who, as close neighbors of Japan, are vitally interested in the Far East. It is the view of the Government of India that if a stable and enduring peace with Japan is to be attained, it is essential that the Central People’s Government of China should be invited to express its views on the draft peace treaty.”

CHAPTER I

PEACE

Article 1

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

No changes proposed.

III. *Views of Other Governments*

No objections offered.

CHAPTER II

TERRITORY

Article 2

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes the following redraft :

“(a) Japan, recognizing the independence of Korea, renounces all right, title and claim to Korea, including Quelpart, Port Hamilton and Dagelet.

“(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

“(c) Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of April 2, 1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan.

“(d) Japan renounces all right, title and claim based on any part activity of Japanese nationals in the Antarctic area.”

This revision contains only one substantive change—recognition by Japan of the independence of Korea, recommended by China, Ceylon and other countries. It has been considered practicable to have Japan do this instead of agreeing “to recognize and respect all arrangements which may be made by or under the auspices of the United Nations regarding the sovereignty of Korea”, as provided in the British draft. The other changes are merely in the interest of organizational clarity.

III. *Views of Other Governments**Australia*

Australia “wishes to see included a provision whereby Japan would disavow any claims on the Antarctic area deriving from the activities of Japanese nationals or otherwise.”

(*Comment*—The only difference between this proposal and the language of the May 3 draft, or the language of the U.S. proposal above, is the addition of the phrase “or otherwise”.

Canada

Memorandum of May 1 :

“The Canadian Government is of the opinion that the Japanese Peace Treaty should, insofar as it is possible, follow the spirit of war-time agreements concerning the disposition of former Japanese territories. It is realized, however, that certain of the territories, notably Formosa, have become issues of the international concern apart from their relation to the Japanese Peace Treaty. In the interest of reaching agreement on the Treaty itself, the Canadian Government is of the opinion that Japan should be called on to renounce all her rights, titles

and interests in her former territories, leaving their disposition to be decided upon outside a treaty.”

Memorandum of May 18:

“The Canadian Government, in its memorandum of May 1 to the United States Government stated that in its opinion ‘the Japanese peace treaty should, insofar as it is possible, follow the spirit of war-time agreements concerning the disposition of former Japanese territories’. In view of the lack of agreement on the disposition of some of the territory involved, we believe there is merit in an approach of the nature suggested in our earlier memorandum which would treat all former Japanese territory in a consistent fashion and not leave the way open for charges of discriminatory treatment of individual pieces of territory. The reply of the United States Government of May 8¹ did not comment directly on the principle involved in the Canadian suggestion.”

(*Comment*—While this formula would please the Chinese Nationalist Government, which also points to the apparent discrimination between the U.S. proposals for Formosa and for Sakhalin and the Kuriles, it fails to take account of the different circumstances obtaining in regard to Formosa and in regard to Sakhalin and the Kuriles, Korea and the Ryukyus. There is no ground for questioning Russia’s legal right to Sakhalin and the Kuriles if it is a party to the treaty, while agreement on the proper disposition of Formosa would be impossible in the treaty.)

“It would not seem necessary that Japan accept the action of the United Nations Security Council (extending the trusteeship system to the former Japanese mandates) since Japan will be bound by the terms of the treaty upon her signature of it.”

(*Comment*—Japan will be bound by the terms of the treaty but it will not be bound on this point unless the treaty makes mention of it.)

China

Memorandum of April 24:

“With regard to the territorial clauses, the Chinese Government takes note of the fact that the United States Government no longer maintains the proposal it made in the seven-point statement of principle of September 11, 1950,² that the status of Formosa, the Pescadores, South Sakhalin and the Kurile Islands be made a subject for future decision of the United Kingdom, the U.S.S.R., China and the United States. It is the view of the Chinese Government that this proposal, now dropped, should not be revived. Meanwhile, the Chinese Government wishes to take this opportunity to make known to the United States Government the following views:

“It is the basic view of the Chinese Government that Formosa and the Pescadores constitute historically, ethnically, legally, and

¹ Note to Canada, not printed. (Lot 54 D 423)

² For text, see *Foreign Relations*, 1950, vol. VI, p. 1296.

in fact a part of Chinese territory. While the draft treaty provides only for the renunciation by Japan of Formosa and the Pescadores, it is, however, provided that Japan will return to the U.S.S.R. the southern part of Sakhalin as well as all the islands adjacent to it and will hand over to the Soviet Union the Kurile Islands. The disparity between the treatment accorded to these two groups of territories is so evident that it creates the impression of discrimination against China, which is obviously not the intention of the author of the draft treaty. In this connection, the Chinese Government is of the opinion that the principle of non-discrimination should be followed. The Chinese Government will raise no objection to the present form of Article 5 (present Article 4) of the draft treaty in the event that an express provision of the return of Formosa and the Pescadores to the Republic of China is also included in the treaty. Failing such inclusion, the provisions contained in that article should be substituted with a simple renunciation on the part of Japan of South Sakhalin and the Kurile Islands."

Ceylon

"Japan should renounce all rights, titles, and claims to ceded territories, as well as those deriving from the mandate system. The future of these territories should be left for decision by the United Nations.

"There seems to be some doubt over the interests of Japan, if any, in the Antarctic region. While the Ceylon Government is of the opinion that if there are any such rights or claims, Japan should renounce them, it is also felt that if Japan has no recognized rights or claims in the Antarctic, it will not be necessary to provide for their renunciation. The Ceylon Government does not, however, consider that the Peace Treaty should exclude Japan from the Antarctic region for all future time and in the circumstances it may be desirable not to mention the question in the Treaty at all."

India

"It is the view of the Government of India that Japan should not only renounce all rights, titles and claims to Formosa and the Pescadores Islands but should cede these islands to China. The question as to when these islands, especially Formosa, should be returned to China could be discussed separately. China should have the assurance that these islands would be returned to her at a future date in conformity with the Cairo Declaration."³

New Zealand

"In view of the need to ensure that none of the islands near Japan is left in disputed sovereignty, the New Zealand Government favours the precise delimitation by latitude and longitude of the territory to be retained by Japan as suggested in Article 1 of the United Kingdom's draft. The adoption of this device could for example make it

³ For text of the Cairo Communiqué of November 26, 1943, released to the press December 1, 1943, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, p. 448.

clear that the Habomai Islands and Shikotan at present under Russian occupation will remain with Japan."

(*Comment*—In the discussions at Washington the British agreed to drop this proposal when the U.S. pointed to the psychological disadvantages of seeming to fence Japan in by a continuous line around Japan. The Japanese had objected to the British proposal when it was discussed with them in Tokyo. U.S. willingness to specify in the treaty that Korean territory included Quelpart, Port Hamilton and Dagelet also helped to persuade the British. As regards the Habomais and Shikotan, it has seemed more realistic, with the USSR in occupation of the islands, not specifically to stipulate their return to Japan.)

"It is felt that the reference to the Antarctic in Article 3 should be made the subject of a separate clause which it is suggested might be worded as follows—

'Japan recognises that she has no claim to or in connection with any part of the Antarctic area whether deriving from the activities of Japanese nationals or otherwise.'"

(*Comment*—The wording of the May 3 draft (unchanged in the U.S. revision) seems preferable. It would be odd for Japan to recognize that it has no claim, rather than to have it renounce any claims it may have. Actually, though the Japanese Government has never made any claims, the activities of Japanese private expeditions have provided the basis of claims.)

Article 3

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

No changes proposed.

III. *Views of Other Governments*

Canada

"The Canadian Government does not believe that its suggestion (see excerpts from Canadian Memoranda of May 1 and 18 under Article 2), if adopted, would leave the future of the Ryukyu and Bonin Islands 'less certain' than is the case if the United States draft prevails. It is suggested that even more certain wording might be employed. After renunciation by Japan of its rights in the Ryukyu and Bonin Islands is suitably provided for in the treaty, a clause along the following lines might replace the present Article 4:

'The United States shall have the right to exercise any powers of administration, legislation and jurisdiction over the territory and inhabitants of the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vela and Marcus Island including their territorial waters

until such time as they are placed under the trusteeship system of the United Nations'.

“It would not seem necessary that Japan ‘concur in any such proposal’ (to place the former mandates under trusteeship) since Japan will be bound by the terms of the treaty upon her signature of it.”

(*Comment*—Japan will be bound by the terms of the treaty but it will not be bound on this point unless the treaty makes mention of it.)

India

“The Government of India feel that Japan has strong sentiments attached to the Ryukyu and the Bonin Islands which are inhabited predominantly by the Japanese. The Government of India think accordingly that these islands should continue to remain under Japanese sovereignty.”

New Zealand

“It is felt that Japan should be specifically required to renounce sovereignty over the Ryukyus, Bonins and the Volcano and Marcus Islands. Accordingly the New Zealand Government would prefer the substitution of Article 5 of the United Kingdom draft for Article 4 suggested by the United States.”

(*Comment*—There are advantages to leaving nominal sovereignty with Japan in view of the strong Japanese feeling over the loss of the Ryukyus.)

Article 4

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

No changes proposed.

III. *Views of Other Governments*

Canada

Memorandum of May 1:

“For this reason (see excerpt from Memorandum of May 1 under Article 2) we would favour the deletion of Article 5 (present Article 4) of the draft under consideration and the simple enumeration of the territories mentioned in it in the first sentence of Article 3 (of U.S. March draft) along with the territories already enumerated.”

China

“The Chinese Government will raise no objection to the present form of Article 5 (present Article 4) of the draft treaty in the event that an express provision of the return of Formosa and the Pescadores to the Republic of China is also included in the treaty. Failing such inclusion, the provisions contained in that article should be substituted with a simple renunciation on the part of Japan of South Sakhalin and the Kurile Islands.”

India

“Article 5 of Chapter III of the U.S. draft should be read with Article 19 of Chapter VIII. The Government of India feel that the southern part of Sakhalin as well as the islands adjacent to it and the Kurile Islands which are already in the possession of the U.S.S.R. should go to the U.S.S.R. as agreed upon at Yalta, even if the U.S.S.R. fails to sign or adhere to the same type of treaty as may be signed or adhered to by the United States and other nations. Any technical denial of these islands to the U.S.S.R. will only provoke that country without any compensating advantage. In any case, these islands will continue to be under the domination of the U.S.S.R. whether she signs the treaty with the other Allies or not.”

New Zealand

“It has been noted that in the view of the United States Government the cession to the Soviet Union of South Sakhalin and the Kurile Islands should be subject to the suspensory provision in Article 19 of its draft. Pending further study of the implications of this provision, particularly as it may affect the permanence of the other territorial adjustments proposed, the New Zealand Government wishes to reserve its position.”

Article 5

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes that the beginning of paragraph (b) be revised to read:

“(b) Claims of *Allied Powers concerned and of* residents of the territories ceded or renounced . . .”

The reason for this change is simply to include the governments themselves as possible claimants.

It is further proposed that the question of Japanese liability for debts in respect of properties in renounced or ceded territories, referred to in the note to Article 5, be discussed with the Japanese Government.

The problem in respect to these debts is whether Japan should continue liable for obligations of the Oriental Development Company, Ltd., which financed the development of agriculture in Korea; the Taiwan Electric Company, Ltd., which financed electric power development in Formosa; and of the South Manchurian Railway. The total amounts involved are believed to be about \$24 million and £5 million sterling, including accrued interest.

Bonds of these issues were originally guaranteed by the Japanese Government and in addition became direct obligations of the Japanese Government by virtue of Japanese wartime law, which also converted locally held bonds to yen obligations. It can be argued that there

is no basis for relieving Japan of the obligation, since the loss to Japan resulting from the necessity to honor the debts while losing the assets is the consequence of the renunciation in Article 5(a) of the yen claims of the Japanese Government against the corporations. On the other hand, the Japanese could argue strongly that the monies borrowed were used for development in the ceded areas and that the obligation should be assumed by the governments getting the benefit of the assets. If there were good reason to believe that these governments would be able effectively to assume the obligation this would probably be the proper solution. As it is, however, the bondholders are likely to be left in the lurch if Japan does not recognize the obligations, and the Japanese Government may desire to do so to support its international credit.

III. *Views of Other Governments*

Canada

"Confusion might arise if no reference is made to the nationality of Japanese domiciled in those territories, the disposition of which is provided for in these articles of the treaty. It is suggested, therefore, that some attention should be given to the inclusion of an article similar in intent to that of Article 19 of the Treaty of Peace with Italy."

(*Comment*—The problem faced in the Italian Treaty was much more complicated. Moreover, Japanese in the former dependencies have all been repatriated, except from the Ryukyus. The problem, to the extent it exists at all, can be handled by legislation by the new sovereigns, or, possibly, in the case of the Ryukyus, in the trust agreement.)

CHAPTER III

SECURITY

Article 6

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. reservation to paragraph (b) is lifted.

III. *Views of Other Governments*

Canada

"The Canadian Government would be interested to know why the United States Government thinks it necessary to include Articles 6 and 7 (Article 6 of present draft) in the treaty. While the Canadian Government does not object to the provisions of the Articles, it believes that they are not legally necessary since Japan could make treaties such as are suggested in Article 7 as a sovereign state and whether or not she joins the United Nations."

India

“Paragraph 7 of Chapter IV (paragraph (b) of Article 6 of the present draft) refers to Japan voluntarily entering into a collective security agreement or arrangements ‘participated in by one or more of the Allied Powers.’ It is the view of the Government of India that there is little likelihood of Japan making arrangements for collective self-defence with any power or powers with which it is not now on friendly terms, at least in the near future. The Government of India feel that such a statement in the treaty would offend Japanese sentiments as it implies limitation of Japanese sovereignty. This may also offend countries that are unable to sign the proposed treaty.”

Article 7

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. reservation to this Article is lifted.

III. *Views of Other Governments*

Article 7 is new with the May 3 draft, which has not been presented to other governments for comment. However, Canada in commenting on the U.S. March draft expressed the view that the treaty should contain a clause similar to Article 73 of the Italian Treaty providing for the termination of the occupation.

CHAPTER IV

POLITICAL AND ECONOMIC CLAUSES

Article 8

I. *May 3 Draft*

“(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its pre-war bilateral treaties with Japan it wishes to keep in force or revive, and any treaties so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. They shall resume their force three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties not so notified shall be regarded as abrogated.

“(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty any territory for the international relations of which the notifying Power is responsible, until three months after notice cancelling this exception is given.”

II. *U.S. Position*

The U.S. proposes the following amendments:

(a) “Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan

which of its pre-war bilateral treaties with Japan it wishes to keep in force or revive, and any treaties so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. ~~They shall resume their force three months after the date of notification and shall~~ The treaties so notified shall be registered with the Secretariat of the United Nations. All such treaties as to which Japan is not so notified shall be regarded as abrogated.

(b) "Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty any territory for the international relations of which the notifying Power is responsible ~~until three months after notice cancelling this exception is given~~ until such time as notification is given to Japan that such exception shall cease to apply."

The first change in paragraph (a) arises from the belief that treaties which are to continue in force or be revived can practicably resume their force immediately on notification, as under the Italian Treaty.

The change in the last sentence of paragraph (a) is for greater clarity.

The revision in paragraph (b) is for greater clarity, with the three month time period deleted for the same reason as under (a).

III. *Views of Other Governments*

India

"Paragraph 10 (present Article 8) of this Chapter refers to the revival of prewar bilateral treaties. The Government of India are anxious to know the reason for not making the maintenance or revival of prewar bilateral treaties between Japan and the Allied Power reciprocal."

Article 9

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes:

1. The deletion of the phrase "the Convention of St. Germain-en-Laye of September 10th, 1919, and" in paragraph (b). The United States would, however, be willing to include in the treaty an article similar to Article 42 of the Italian Treaty, to read:

"Japan shall accept and recognize any arrangements which may be made by Allied and Associated Powers concerned for the modification of the Congo Basin treaties with a view to bringing them into accord with the Charter of the United Nations."

2. Substitution of the following for paragraph (c):

"Japan renounces all rights, title and interests acquired under, and is discharged from all obligations resulting from, the Agreement between Germany and the Creditor Powers of January 20,

1930, and its Annexes, including the Trust Agreement, dated May 17, 1930, the Convention of January 20, 1930, respecting the Bank for International Settlements, and the Statutes of the Bank for International Settlements. The above mentioned rights, title and interests shall not be deemed to include the 19,770 shares of the Bank for International Settlements presently owned by Japanese financial institutions. Japan undertakes to notify to the Ministry of Foreign Affairs in Paris within six months of the coming into force of the present Treaty her renunciation of the rights, title and interests referred to in this paragraph."

With these changes the U.S. is willing to lift the reservation in the note to Article 9.

The reasons underlying the first proposal, relating to the Congo Basin Treaties, are found in the following analysis:

1. *Effects of British proposal on Japan's position in the "Conventional Congo Basin"*

If Japan renounced its rights under the Congo Basin Convention the only benefit it would thereafter derive from the convention would be that granted in Article 1, namely, "the trade of all nations shall enjoy complete freedom". It would no longer have any rights which would guarantee equal economic treatment or afford protection against discrimination. Trade discrimination against Japan could be practiced in the Congo Basin area in a number of ways, e.g., by means of import licensing and exchange control, by the imposition of discriminatory tariffs, and by the application of certain tax laws, transit fees, industrial licensing ordinances, etc. All of these measures could be applied in such a manner as to favor only nationals of the administering power and of other states parties to the convention.

2. *Trade of the Conventional Congo Basin*

The administering powers have each dominated the trade of the areas under their respective administrations. Historically the United Kingdom has been significantly more important than Japan as a source of imports into the Conventional Congo Basin, and has also been a more important market than Japan for exports from those areas.

Japanese exports to the Conventional Congo Basin, before and since World War II, have been principally textiles and apparel. Although textiles have been relatively unimportant in total United Kingdom exports to the area, nevertheless competition between the two countries is greatest in these products.

3. *United States trade policy toward Japan*

It is the established policy of the United States to encourage the expansion of trade on a multilateral, non-discriminatory basis. The United Kingdom has subscribed to the same policy. The United States seeks, and accords, most-favored nation treatment in international trade. This policy is expressed in the Trade Agreements Act and in many international agreements to which the United States is a party, including the General Agreement on Tariffs and Trade.

United States policy recognizes that Japan cannot become a peaceful, self-supporting country without large-scale foreign trade conducted on a sound basis. The United States has consistently taken

the position that, if such trade is to be developed, Japan must be readmitted to the world trading community on a basis of equality of treatment. The United States has attempted, without success, to obtain the agreement of other countries to the conclusion of a multilateral agreement extending most-favored-nation treatment to Japan. The United States has also tried and failed to have Japan invited to accede to GATT. If the British proposal were accepted, the Administering Powers would be able to discriminate against Japanese trade, and to the extent that such discrimination occurred the efforts of the United States to promote recovery of the Japanese economy would be retarded. Moreover, recognition of the rights of the Administering Powers to discriminate against Japanese trade in the conventional Congo Basin might be taken as a precedent for urging the establishment of discriminatory treatment in other areas which would tend to undermine basic principles of United States commercial policy. It would also hamper United States efforts to obtain most-favored-nation treatment for Japan.

The reasons underlying the second proposal, relating to the Bank for International Settlements, are as follows:

The phrase "is discharged from all obligations" has been inserted in the first sentence to indicate that the purpose of the provision is not to exact a penalty from Japan, but merely to formalize the termination of Japan's participation in the administration of the BIS. It is, therefore, appropriate to refer to Japan's being discharged from obligations, as well as being deprived of rights. Among the obligations are, for example, the obligation to subscribe to new issues of stock by the Bank. Other changes in the first sentence are intended only to identify more specifically the agreements to which Japan is no longer to be a party.

The second sentence has been inserted in order to clarify the effect of the provision on the share interests now held in the BIS by certain Japanese financial institutions. During the April-May talks in Washington the British reported that the BIS took the position that Japan should relinquish her rights in the BIS, but that the share interests should not be affected. Presumably the British agreed with this position. The proposed change merely removes the possibility that the Japanese renunciation might be construed as a forfeiture of the share interests.

Proposed New Article

The United States proposes insertion of the following as a new Article 10, subsequent articles being renumbered accordingly:

"Article 10

"The Republic of Korea shall be deemed an 'Allied Power' for the purposes of Articles 5, 10 (to be 11) and 13 (to be 14) of the present Treaty, effective at the time that the Treaty first comes into force."

The reason for this proposal is that the United States now considers, in agreement with the British position, that Korea is not entitled to

be a signatory to the treaty. The U.S. and other major powers deliberately refrained from recognizing the "Provisional Government of Korea" as having any status whatsoever during World War II. The facts that that government declared war on Japan, and that Korean elements, mostly long time resident in China, fought with the Chinese forces, do not, therefore, have any bearing on the question.

The Korean Government has cited the fact that Poland was permitted to sign the Versailles Treaty. On examination, however, Korea's case for participation in the Japanese treaty does not gain much support from this example. The Polish National Committee set up in Paris in 1917 under Paderewski was "recognized" and dealt with by all the principal western Allies. Although it has not been possible to determine definitely that it declared war on Germany it was set up for the purpose of fighting Germany and liberating Poland and can, therefore, be assumed to have done so. When Germany surrendered the Committee and the Regency Council, which had been set up by the Central Powers at Warsaw, combined and formed a Provisional Government of Poland which was recognized as such by the Powers before the Versailles Conference was convened. Poland had an army fighting in France even before 1917.

While it is not believed that Korea should be allowed to sign the treaty it is considered that it should derive the benefits of certain of its provisions. The proposed article would ensure Korea the full advantages of Article 5 (treatment of Japanese property in renounced or ceded territories), Article 10 (fisheries), and Article 13 (commercial relations) from the time that the treaty is first brought into force.

Article 10

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. supports the revision quoted below. This revision follows exactly language proposed by the United Kingdom in a note of May 9, except that "Allied Powers" has been substituted for "states" in keeping with the view that, but for a few specific exceptions, the benefits of the treaty should be restricted to the signatory Allied Powers.

"Japan agrees to enter promptly into negotiations with Allied Powers so desiring for the conclusion of ~~new~~ bilateral or multilateral agreements ~~for the regulation, conservation and development of high seas fisheries~~ providing for the regulation of fishing, and the conservation and development of fisheries, on the high seas."

The British Embassy's note of May 9 read as follows :

"We have now had a reply from London to our telegram about the fisheries article of the Japanese Peace Treaty. The gist of the telegram is as follows :

'Subject to further Commonwealth consultation, we would if necessary be prepared to agree to the substitution of United States Article 9 for Article 34 of the United Kingdom draft. We should, however, like the wording of it to be amended to read as follows :

Japan agrees to enter promptly into negotiations with states so desiring for the conclusion of bilateral and multilateral agreements providing for the regulation of fishing, and the conservation and development of fisheries, on the high seas.

'We still think, however, that some provision on the terms of our Article 34 (2) would be useful. We must admit that the second paragraph of our draft Article 34 would not do exactly as worded because the expression "conserved fishing grounds" is too vague. It would have been necessary to have defined what this expression meant. We ourselves would have been ready to define it as "portions of the sea which are subject to fishery conservation agreements to which not less than X States are parties", a definition which would have excluded the Philippine example suggested by the United States. We would have been prepared to impose an obligation on Japan in the Peace Treaty to keep Japanese vessels out of fishing areas on the high seas which are subject to such agreements until she had become a party to the conservation agreements.

'Subject to further consultation with the Commonwealth, whose interest is greater than ours, we should be willing to drop the second paragraph, or retain it with an acceptable definition of "conserved fishing grounds".'

"We shall let you know as soon as possible the result of our further consultation with the Commonwealth."

Article 34 of the British draft reads as follows :

"1. Japan hereby undertakes to participate in any general negotiations that may be entered into hereafter for the conclusion of a Far Eastern Fisheries Convention for the regulation of fishing and fishing grounds in Far Eastern waters.

"2. Pending the conclusion of such negotiations Japan undertakes not to permit Japanese nationals or Japanese registered vessels to fish in conserved fishing grounds wherever they may be situated."

Reasons why the U.S. cannot accept paragraph 2 of the British draft, even with the definition of "conserved fishing grounds" advanced in the note of May 9, are given in the following analysis :

1. The British proposal to define conserved fishing grounds in their paragraph 2 as "portions of the sea which are subject to fishery

conservation agreements to which not less than X States are parties", contains two difficulties:

a. The U.S. customarily treats with separate fisheries, not portions of the sea, in its fishery policies, treaties, regulations, etc. For instance, the halibut fishery and the salmon fishery occupy the same portion of the sea, but are treated in completely separate ways by the U.S. both internationally and domestically. Another example is the crab fishery and salmon fishery which occupy the same portion of the sea in Bristol Bay. We do not oppose Japanese entering Bering Sea; we do oppose their entering the salmon fishery there.

b. Any value which is given to X above the Number 1 would be contrary to the Yoshida letter and would overrule it because the Yoshida letter refers to arrangements made internationally or domestically. The bulk of the fisheries with whose conservation we are here concerned are regulated unilaterally or under bilateral agreement (United States-Canada, United States-Mexico, United States-Costa Rica). We could not permit these fisheries to be excluded from the effect of this paragraph.

Yet if any value of X is chosen which is below 4 or 5, it would be easy for two or three countries (for instance Russia, Korea, and China) to enter into a treaty which would exclude Japan from fisheries in the Yellow Sea, East China Sea, South China Sea, Sea of Japan, or Sea of Okhotsk which are essential to the economy of Japan, have been traditionally fished in by Japan, and have been primarily developed by Japan—in several instances exclusively developed by Japan. Particular attention is directed to the vital (for Japan) trawl fishery of the East China Sea, developed exclusively by Japan and essential to her.

III. *Views of Other Governments*

Australia

"Re fisheries, (Australia) temporarily reserves its position on Article 9 of the U.S. draft."

Canada

"The United States Government will be aware that provisions concerning Japan's future conduct with regard to fisheries are of special interest and importance to the Canadian Government. For that reason it has been suggested that experts from Canada and the United States should meet to discuss this problem. The comments of the Canadian Government on this clause are therefore preliminary and subject to revision in the light of discussions which it is hoped will take place in the near future.

"The clause as it stands does not appear to cover the period intervening between the signature of the treaty and the coming into force of agreements on fisheries. In addition, no time limit is suggested by which negotiations might either be entered into or completed. It is suggested that these two points might be taken care of in a redraft of the clause. It is further suggested that the latter part of the clause might be redrafted to read:

‘. . . formulation of new bilateral or multilateral agreements with respect to high seas fisheries among other things for the regulation, conservation and development of high seas fisheries.’ ”

(*Comment*—Canada’s comments indicate either a failure to understand or a conscious rejection of the U.S. desire to permit Japan to deal with the fishing question as a sovereign right after the treaty, in the light of the recent public statements of the Japanese Government on the question. There can be no objection to Canada’s proposed rewording if it can be explained what the “other things” might be. The Department’s fishing specialists cannot imagine what the phrase might refer to. The other proposals will probably require both expert and high level discussions before agreement is reached. Canadian experts are now in Washington to present Canada’s views on a possible U.S.–Canada–Japan fishing agreement or agreements.)

Article 11

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. has no changes to propose in this Article.

The United Kingdom proposed in the Washington discussions in early May that “including Manchuria” be added after “China”. The United States informed the British Embassy on May 31 that it was the United States view “that this addition would be inconsistent with the position long maintained by the United States and United Kingdom Governments that Manchuria, or the Three Northeastern Provinces as the area is referred to in China, is unquestionably part of China.”⁴

III. *Views of Other Governments*

Canada

“The Canadian Government believes that the ‘special rights and interests’ of Japan in China should be made clear, possibly along the lines of Article 24 to 26 of the Treaty of Peace with Italy in order to prevent difficulties of interpretation in the future. The Canadian Government is of the opinion that it would be wise to make separate provisions for renunciation by Japan of all rights and interests it may have presumed itself to hold in Manchuria.”

(*Comment*—The Chinese Nationalist Government, which should be a competent judge, does not consider more detailed language necessary except on the Boxer Protocol. The China Division of the Department does not consider special mention of Manchuria necessary or desirable in Japan’s renunciation of rights in China.)

⁴ Note to the United Kingdom, not printed. (Lot 54 D 423)

China

"The principle underlying the provision of Article 11 is agreeable to the Chinese Government. However, in order to leave no room for possible differences in the interpretation of the provision relative to the renunciation by Japan of her special rights and interests in China, it is proposed that the said Article be amended to read as follows:

'Japan renounces all special rights and interests in China, including all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901, and all annexes, notes and documents supplementary thereto,⁵ and agrees to the abrogation in respect of Japan of the said protocol, annexes, notes and documents.'

"It may be noted that as the final Protocol of September 7, 1901, takes the form of a multilateral agreement, it may give rise to a doubt as to whether the protocol falls within the purview of any of the original provisions of the draft Treaty."

(*Comment*—There would appear to be no objection to the Chinese draft, which is taken almost verbatim from the Italian Treaty.)

Article 12

I. *May 3 Draft*

"The power to grant clemency, reduce sentences, parole and pardon (the last only when newly discovered evidence so warrants) with respect to the war crimes sentences imposed by military tribunals of the Allied Powers on persons who are imprisoned in Japan may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on the recommendation of Japan. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

"(Note: U.K. reserves the first sentence of Article 21 of U.K. draft and on the use of the word 'pardon'.)"

II. *U.S. Position*

The U.S. supports the following revision:

"Japan accepts the judgments of the International Military Tribunal for the Far East and of all other Allied War Crimes Courts both within and outside Japan, and will carry out the sentences imposed thereby upon Japanese nationals imprisoned in Japan. The power to grant clemency, reduce sentences, and parole and pardon with respect to the war crimes sentences imposed by military tribunals of the Allied Powers on persons who are imprisoned in Japan such prisoners may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on

⁵ For texts, see *Foreign Relations*, 1901, Appendix, pp. 306-339.

the recommendation of Japan. In the case of the persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan."

The British Embassy indicated in its communication of May 29 that this redraft of Article 12 is acceptable to the United Kingdom.

III. *Views of Other Governments*

Australia

"With regard to United States draft Article 12 (of U.S. March draft), Australia continues to believe that the Japanese Government should not have any rights or powers in this matter."

(*Comment*—Japan's rights and powers are now reduced simply to the right to recommend clemency to an Allied Power whose military tribunals convicted a war criminal imprisoned in Japan. It is difficult to see how Australia could maintain strong objection to this.)

Article 13

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes the following revision of Article 13:

"(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place their trading, maritime and other commercial relations on a stable and friendly basis.

"(b) Pending the conclusion of the relevant treaty or agreement, Japan will, during a period of 5 years from the coming into force of the present Treaty, accord to each of the Allied Powers, its nationals (including juridical persons), products and vessels:

(i) Most-favored-nation treatment with respect to customs duties, charges, restrictions and other regulations on or in connection with the importation and exportation of goods;

(ii) National treatment with respect to shipping, navigation and imports, and with respect to natural and juridical persons and their interests—such treatment to include all matters pertaining to the levying and collection of taxes, access to the courts, the making and performance of contracts, rights to property, participation in juridical entities constituted under Japanese law, and generally the conduct of all kinds of business and professional activities.

"External purchases and sales of Japanese state trading enterprises shall be based solely on commercial considerations.

"(c) In respect of any matter, however, Japan shall be obligated to accord to an Allied Power national treatment, or most-favored-nation treatment, only to the extent that the Allied Power concerned

accords Japan national treatment or most-favored-nation treatment, as the case may be, in respect of the same matter. The reciprocity envisaged in the foregoing sentence shall be determined, in the case of products, vessels and juridical entities of, and persons domiciled in, any nonmetropolitan territory of an Allied Power, and in the case of juridical entities of, and persons domiciled in, any State or province of an Allied Power having a federal government, by reference to the treatment accorded to Japan in such territory, State or province.

“(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most-favored-nation treatment, as the case may be, if such measure is based on an exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party’s external financial position, balance of payments or essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

“(e) Private property shall not be subject to expropriation without prompt payment of just and effective compensation.

“(f) Japan’s obligations under paragraph (b) of this Article shall not be affected by the exercise of any Allied rights under Article 15 of the present Treaty; nor shall the provisions of that paragraph be understood as limiting the undertakings assumed by Japan by virtue of Article 16 of the Treaty.”

The considerations underlying the changes in the proposed draft are as follows:

Para. (a) The phrase, “trading, maritime and other commercial relations”, is designed to indicate that “commercial” is used in a broad sense, comprehending *inter alia* the establishment matters referred to in paragraph (b) (ii).

Para. (b) “Products and vessels” are included to cover the two major categories, in addition to nationals, treated in the succeeding subparagraphs. Reference to reciprocity is transposed to paragraph (c), for reasons explained in connection with paragraph (c).

(i) The only change in this subparagraph is the suppression of a few superfluous words.

(ii) The most-favored-nation standard has been dropped because its presence would seriously impair Japan’s effective rights under the reciprocity clause. Under the most-favored-nation standard Japan would be obliged to generalize to all Allied Powers the most favorable treatment (normally, national treatment) it was obliged to accord to any one of them; and would thus be in the position of having to accord particular Powers national treatment in return for a most-favored-nation treatment less favorable than national treatment. Thus, if Japan were obliged through reciprocity to open its coasting trade to British shipping (see below), it would have to extend the coasting privilege to all Allied Powers notwithstanding that all except Britain excluded foreign vessels (and thus Japanese vessels) from their respective coasting trades.

National treatment alone is believed, moreover, to be a generally satisfactory standard in the matters treated in (ii), because national treatment is normally the most favorable treatment that is accorded by the modern sovereign state.

The opening clause of the subparagraph as revised mentions only the general subject matter dealt with. The particularization of the various aspects with respect to which national treatment is sought is confined to the concluding clause, where it is in juxtaposition with what it relates to (namely, natural and juridical persons)—the particularization has little relevance to vessels and products.

The words "levying and collection" are included in deference to the British view that, contrary to U.S. opinion, the words "all matters relating to taxation" are not sufficient.

The words "making and performance of contracts" provide a more inclusive rule than the "conclusion of contracts".

The phrase "rights to property" is a summary statement of what is presumably intended by "the acquisition, ownership and disposal of property of all kinds", and by being a more sweeping statement is designed to avoid the application of restrictive interpretations possible when more elaborate terminology is employed.

The final clause of the subparagraph has been incorporated as a sort of catch-all to minimize the danger of restrictive interpretations which the particularization technique creates and, particularly, of assuring that business may be conducted in other ways than through the medium of a Japanese-chartered corporation.

The concluding sentence of paragraph (b) is added in order to provide a rule governing the important matter of state-trading methods, a matter not covered in the May 3 draft.

Para. (c) All provisions on reciprocity are collected here in the interests of drafting convenience and logical organization. The transposing of the subject-matter of the first sentence from its position in the opening clause of (b) in the May 3 draft serves: (1) to emphasize the thought that (b) is a statement of policy to which Japan is committed as a matter of principle, with the reciprocity proviso merely a protective reservation; and (2) to allow leeway to state the reciprocity proviso in terms that reduce the amount of confusion and dispute that might arise over its intent and meaning. The phrase "to the extent that", borrowed from an earlier U.K. draft, clarifies that reciprocity operates on a segment-by-segment basis—to the end that if, for example, a Power discriminates against Japanese shipping merely in the matter of tonnage dues, Japan's right to retaliate would be confined to tonnage dues exclusive of other phases of shipping operations.

The second sentence is a restatement, in briefer form, of the subject-matter of (e) of the May 3 draft. One point clarified is the difference in the problems posed, respectively, by a colonial system and a federal system. In the latter, the national government exclusively has jurisdiction over international commerce and navigation; and it would thus be misleading to suggest that reciprocity might have bearing vis-à-vis the several states and provinces in that field. The problem posed by a federal system relates only to establishment matters, exclusive of international trade and commerce, which fall within the jurisdiction of the central government. Terminology is also improved

in certain particulars: e.g., the word "domicile" is believed preferable to "residence", as being the word suggestive of the more permanent tie.

Para. (d) Unchanged from May 3 draft.

Para. (e) This is an abridged version of (c) of the May 3 draft, retaining merely the second sentence thereof with the insertion of the concept of promptness. Retention of the first sentence would serve no useful purpose, and might even detract from the strength of the rule desired. Since the rule proposed is regarded as a rule of international law, binding universally, it is stated without reference to country, time limit or reciprocity.

Para. (f) Unchanged from May 3 draft.

III. *Views of Other Governments*

Australia

"Australia agrees in principle with the provisions of Article 13 of the United States (March) draft but considers that the categories of treatment accorded United Nations nationals should be specifically enumerated."

Canada

"If the problem of possible Japanese accession to the General Agreement on Tariffs and Trade should arise in connection with the peace treaty, the Canadian Government would wish to advance the view that it is not appropriate to make any mention of GATT either directly or obliquely in the peace treaty unless the Contracting Parties should have reached prior agreement regarding the terms of Japanese accession. Signatories of the peace treaty which are also Contracting Parties would find themselves in an anomalous position if, after suggesting in the peace treaty that Japan accede to GATT, they were forced to vote against the accession if no satisfactory basis for accession were devised. Moreover, it is likely that, regardless of whether or not Japan is enjoined in the peace treaty to accede to GATT, it would apply for membership of its own accord since GATT would almost certainly increase its area of Most-Favoured-Nation treatment with a minimum of reservations.

"The Canadian Government believes that the appropriate forum for discussion of the accession of Japan to GATT is a future session of the Contracting Parties and that Allied Powers should not be required to place on record (by signature of the treaty) their approval of such accession before it is discussed by the Contracting Parties.

"The Canadian Government considers it desirable to take all practicable steps to assist Japan to re-establish its position as a member in good standing of the world trading community, and thinks that Article 13 would serve a useful purpose in this regard. However, the Canadian Government may find it necessary to retain certain safeguards, not applied to most-favoured-nations generally, against the possibility of unfair competition from Japanese goods, if and when Most-Favoured-Nation treatment is extended to Japan. For example, Canada may wish to retain the right to apply fixed valuations for duty on certain Japanese goods. In this event Canada would be unable

to extend Most-Favoured-Nation treatment to Japan without reservation. Canada does not apply fixed valuations to imports from other most-favoured-nations and could not do so under GATT. The Canadian Government would, of course, be prepared to concede to Japan the right to make similar reservations in respect of imports from Canada in the event of the exchange of Most-Favoured-Nation treatment with Japan.

"The Canadian Government considers that if Japanese trade is to attain the appropriate level, balance, and stability considerable adjustments in the trading position of other countries will be involved. Some countries are more exposed than others to the impact of such adjustments. Canada, for example, is more exposed than certain important trading countries which have much higher Most-Favoured-Nation tariff rates against types of goods exported by Japan and than other such countries which have quantitative restrictions against imports of these goods. Thus the Canadian Government feels that it must retain appropriate means of dealing with possible dumping or concealed subsidies or exchange manipulation or other forms of unfair competition from Japan, and could not agree to any provision in the peace treaty which might prejudice its position in this respect."

Article 14

I. *May 3 Draft*

[Article omitted.]

II. *United States Position*

The United States proposes the following revision of Article 14:

"(a) Japan agrees to enter into negotiations with any of the Allied Powers promptly upon the request of such Powers, for the conclusion of bilateral or multilateral agreements relating to international civil air transport.

"(b) Pending the conclusion of such agreement or agreements with an Allied Power, Japan shall, during a period of five years, extend to such Power, on the basis of non-discrimination, treatment not less favorable with respect to air-traffic rights and privileges than those exercised by any of such Powers at the time of coming into force of the present Treaty.

"(c) Pending her becoming a party to the Convention on International Civil Aviation in accordance with Article 93 thereof, Japan agrees to give effect to the provisions of that Convention applicable to the international navigation of aircraft and to give effect to the standards, practices and procedures adopted as annexes to the Convention in accordance with the terms of the Convention."

The above revision is largely based on the civil aviation provisions of the British draft, which read as follows:

"1. Pending the coming into force of Civil Air Transport Agreements between individual United Nations and Japan, Japan shall, in all matters concerning Civil Aviation, grant to each of the United Nations unconditional most favoured nation treatment, or not less favourable air traffic rights and privileges than they enjoyed immedi-

ately before the coming into force of the present Treaty, whichever is the more favourable.

"2. Japan agrees promptly to enter into negotiations with any of the United Nations so desiring for the conclusion of bilateral or multi-lateral agreements relating to international air transport, and in making such agreements Japan shall be prepared to agree to reciprocal provisions of a liberal and non-restrictionist character relating to the exchange of air traffic rights and privileges.

"3. Pending her admission to participation in the Convention on International Civil Aviation in accordance with Article 93 of that Convention Japan shall give effect to the provisions of that Convention and of any annexes to that Convention adopted or amended in terms of Article 54 (1) and (m) of that Convention as if she were a signatory thereof."

The British Embassy advised the Department on May 29 as follows:

"The Foreign Office consider the redraft of Article 14 to be a great improvement and would like to accept it subject to clarification of paragraph (b). They would be glad to learn whether paragraph (b) means

"(i) That each Allied Power will be entitled, with respect to air traffic rights and privileges in Japan, to treatment not less favourable than that enjoyed by any Allied Power at the time of the coming into force of the Peace Treaty.

"(ii) If Japan after the Peace Treaty grants to any State more favourable air traffic rights and privileges than those enjoyed by the Powers having the most favourable rights and privileges when the Treaty came into force, that such a grant would be on the basis of non-discrimination."

The major differences between the proposed new United States draft and the former British draft derive from the following considerations:

1. *Order of paragraphs.*

The order of the paragraphs has been changed in order to place the agreement of Japan to enter into negotiations for the conclusion of air transport agreements in the initial paragraph and to place the two paragraphs dealing with actions to be taken by Japan pending the conclusion of such agreements together as subsequent paragraphs.

2. *Use of term "Allied Powers".*

Throughout the article the term "United Nations" used in the British draft has been changed to "Allied Powers" for consistency with the rest of the treaty and in order to make the grant of aviation rights available only to parties to the treaty.

3. *Nature of Air Transport Agreements.*

The provision in the British draft to the effect that air transport agreements should be of a liberal and non-restrictionist character has been omitted. Such a provision is considered inconsistent with the basic policy of restoring Japan to a fully self-determining and sovereign status and of avoiding vague and unenforceable treaty stipulations. No attempt is made in Article 13 to prescribe the character of the commercial treaties Japan will conclude after the peace settlement.

4. *Limitation of Interim Treatment to a Period of 5 Years.*

The interim grant of air traffic rights and privileges not less favorable than those exercised at the time of coming into force of the peace treaty should be limited to a definite period in order to prevent any of the Allied Powers from extending unduly the period of time during which they can obtain unilateral aviation rights in Japan.

5. *British Request for Clarification of Paragraph (b).*

This paragraph was intended to permit each Allied Power to exercise air traffic rights and privileges in Japan not less favorable than that enjoyed by any Allied Power at the time of coming into force of the treaty of peace, i.e., the first interpretation given by the British Foreign Office. No Allied Power should obtain additional unilateral rights as the result of the negotiation of a reciprocal agreement with Japan by another Allied Power. The negotiation of such agreements should be in accordance with the international principle of equality of opportunity in the establishment of international air transport services, as expressed in the Preamble to the Convention on International Civil Aviation, but Japan should not be required to extend air rights and privileges to any country which is not willing to grant reciprocity. The present United States draft differs from the British draft in this respect. The first paragraph of the British draft provision provides for "unconditional most favored nation treatment" without a time limit.

6. *Most-favored-Nation Treatment.*

The most-favored-nation treatment provided for in the British draft has been omitted. As is noted in a British memorandum accompanying the British draft, the use of most-favored-nation provisions in aviation treaties and agreements has been carefully restricted. The operations of aircraft in international civil aviation involve many factors which make the application of most-favored-nation treatment difficult, if not impossible. As an example, it may be pointed out that whereas most-favored-nation treatment may be usefully extended to shipping companies, aviation operations requiring the use of limited airport and air navigation facilities, and involving flights over the territory of the country granting the rights, are not proper subjects for the application of such treatment. Aviation agreements are based on reciprocity.

7. *Application of the Provisions of the Chicago Convention and its Annexes.*

This provision was altered in order to render the text more precise and accurate. Certain provisions of the Chicago Convention relate to the creation and functions of the International Civil Aviation Organization. Since Japan cannot take part in that organization until she has become a party to the Convention, she cannot undertake to apply any provisions relating to the organization. It is, therefore, more accurate to limit Japan's obligation to an undertaking to apply the principles applicable to the international navigation of aircraft and the standards and recommended practices adopted as annexes to the Convention.

III. *Views of Other Governments*

No objections offered.

CHAPTER V
CLAIMS AND PROPERTY

Article 15

I. *May 3 Draft*

[Article omitted.]

II. *United States Position*

The United States proposes the following revision of Article 15:

“(a) The Allied Powers recognize that Japan lacks the capacity to make payments in bullion, money, property or services which would enable Japan to maintain a viable economy, to meet its obligations for relief and economic assistance furnished since September 2, 1945, in furtherance of the objectives of the occupation, and also to make adequate reparation to the Allied Powers for war damage. However, each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of Japan and of Japanese nationals (including juridical persons) which at any time between December 7, 1941, and the coming into force of the present Treaty were subject to its jurisdiction, except:

(i) property of Japanese nationals ~~permitted to reside who~~ during the war resided with the permission of the government concerned in the territory of one of the Allied Powers, other than territory occupied by Japan, except property subjected during that period to measures not generally ~~applicable~~ applied by the government of the territory where the property was situated to the property of Japanese nationals resident in such territory; provided, however, that this provision shall not require more favorable treatment of Japanese property than is accorded by the Allied Power concerned to nationals of countries occupied by Japan or Germany during the war;

(ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other private property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;

(iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(iv) property rights arising ~~out of~~ after the resumption of trade and financial relations between the country concerned and Japan and ~~or acquired pursuant to authorization by the country concerned~~ before the coming into force of the present Treaty.

(v) obligations owed by Japan or by Japanese nationals (including juridical persons), any right, title or interest in tangible property located in Japan, interests in enterprises organized

under the laws of Japan, or any paper evidence thereof, provided such property, rights or interests were not owned by an enterprise organized under the laws of an Allied Power.

“Property referred to in ~~this paragraph~~ paragraphs (i) through (v) shall be returned ~~not of any expenses incident to~~ subject to reasonable expenses for its preservation. If any such property has been liquidated the proceeds shall be returned instead.

“(b) The right to seize, retain, liquidate or otherwise dispose of Japanese property referred to in paragraph (a) above shall be exercised in accordance with the laws of the Allied Power concerned, and the Japanese owner shall have only such rights as may be given him by those laws.

“(c) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favorable to Japan as circumstances ruling in each country will permit.

“(d) Except as otherwise provided in the present Treaty, reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals (including juridical persons) arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war (including claims arising out of the treatment accorded by Japan to prisoners of war and civilian internees), and claims of the Allied Powers for direct military costs of occupation shall be deemed to be satisfied out of the Japanese assets subject to their respective jurisdiction in accordance with the foregoing and out of assets received from the Japanese home islands during the occupation.

“(Note: The foregoing suggestions regarding reparations are made subject to current exchanges of views.)

“(Note: U.K. reserves Articles 23 and 28 of U.K. draft and the question of dates in this and other relevant Articles.)

“(Note: U.S. reserves its position with respect to the following of assets into Japan.)”

The first and third insertions which are proposed to be made in subparagraph (i) have been suggested by the British for clarification. The insertion of the phrase, “other than territory occupied by Japan”, is proposed by the reason that, while Japanese nationals permitted to reside in unoccupied Allied territory during the war and not subjected to restrictions affecting their property may be assumed to have been friendly to the Allied Powers, and therefore entitled to have their property excepted from seizure, no such assumption may be made with respect to Japanese nationals residing in Allied territory occupied by Japan during the war. The reason for the insertion of the clause regarding more favorable treatment is that under present United States legislation Allied assets were vested in some cases and the return of such assets has been subjected to a number of conditions, e.g., property of collaborators has not been returned and conditions

relating to cartels have been applied on the return of certain corporate assets.

The word "private" has been inserted in subparagraph (ii) at the suggestion of the British Embassy for the reason that it will help to minimize disputes which seem likely to arise out of the phrase, "property not of an investment nature." Since the phrase was intended to be applicable only to property owned by Japanese diplomatic and consular personnel in their individual capacity, use of the word "private" makes the intended construction clearer.

The deletion of the lined out clause in subparagraph (iv) is proposed for the reason that, since all property rights arising after the resumption of trade are to be excepted from vesting, it is not necessary to specify that a certain class of such rights, i.e., rights acquired pursuant to authorization by the country concerned, are excepted from vesting, and such language could cause confusion since some rights were acquired in the U.S. pursuant to authorization given in contemplation of vesting. The word "after" is used instead of "out of" because it is intended to except from vesting property which may have been acquired by inheritance, etc.

The changes proposed in the last sentence of clause (a) are self-explanatory.

A new exception, subparagraph (v) has been added in an attempt to solve a vexing question. The Japanese and German external assets programs were designed to afford reparation out of overseas holdings and not to increase reparation through increased control by Allied powers of assets in Japan and Germany. However, the presence of paper evidence in Allied territories of obligations of Japanese enterprises (debt or ownership) could, if nothing was said, lead to reaching back into Japan by Allied enemy property custodians, thereby increasing the reparation burden of Japan through additional foreign ownership or control of Japanese enterprises. The new subparagraph is designed to prevent such reaching back except in a single case, where the paper evidence of ownership of a Japanese enterprise was held by an Allied corporation which was enemy owned or controlled. Even this case represents an extension of the "external assets" program, but this extension has recently been agreed upon by the Office of Alien Property and the State Department in the case of Germany. The U.S. Office of Alien Property desires a further extension, to permit the custodian to reach into Japan as a result of his having vested paper evidences of ownership or obligations which were located in the United States and owned by branches of Japanese enterprises. This further extension has not been accepted since it could greatly enlarge claims against Japanese enterprises, especially through vesting of branches of Japanese institutions located in the area now controlled

by the Chinese Communists. It is difficult to estimate the seriousness of this problem without discussion with the Japanese.

Since this problem is most acute in the case of the United States and the United Kingdom, it may be desirable to have a protocol settlement of the matter by these two countries and Japan, leaving the treaty text uncluttered by this complication.

The insertion of clause (d) is proposed for the reason that the treaty should settle and dispose of all claims of the Allied Powers and their nationals arising out of the war. If no waiver were provided, some Allied governments or Allied nationals might continue to press such claims against Japan after the coming into force of the treaty. Settlement of claims in the treaty assures that no Allied government or Allied national receives preferential treatment. The language of the waiver follows closely the language of Article 19 in which Japan waives claims against the Allied Powers.

III. *Views of Other Governments*

Australia

"The Australian Government has already made known its views to the United States Government as to Japan's liability for reparations, sufficient at least to ensure payment of compensation to former prisoners of war who suffered ill treatment over a long period at Japanese hands, and to the relatives of those who died. A further claim which the Australian Government maintains against the Japanese Government concerns the personal property and personal prejudice claims of Australian citizens who suffered loss or injury at Japanese hands in countries outside Japan. Given Japan's liability in those connexions, the Australian Government is of the view that there should be an equitable distribution among the Allied powers of the stocks of monetary gold and bullion and of precious metals and jewels which were in the possession of the Japanese Government at the termination of hostilities, and of Japanese assets in neutral and ex-enemy countries."

Canada

"The Canadian Government is of the opinion that provision should be made for the liquidation and allocation among the Allied Powers of Japanese external assets in other than Allied countries. It believes that the Treaty should contain recognition by Japan of pre-war debts owed by Japan or Japanese nationals to Allied governments or Allied nationals. The Canadian Government considers that the stock of monetary gold and bullion and of precious metals and jewels, held by Japan at the close of the war and referred to often as the 'gold pot', might be marked for distribution among countries with recognized claims to reparations from Japan.

"The Canadian Government would be interested to have a further statement of the views of the Government of the United States with regard to the exemptions (i to v) set out in Article 14. It is noted that

no such exemptions from disposal as reparations of similar classes of German external assets were granted in the Act of Paris on German Reparations. There is further doubt as to the advisability of certain of these exemptions in that the return of property envisaged might possibly run counter to the domestic legislation of certain of the Allied Powers. The Canadian Government is of the opinion that if any of these exclusions or exemptions is to be retained in the treaty, this provision should merely require the Allied Powers to return the proceeds of the liquidation of exempted assets which they have liquidated without any further obligation on their part towards the Japanese former owners.

"While the Canadian Government wishes to reserve its position on the question, it offers the following comments on the specific exemptions provided for in Article 14.

"(i) The adequacy of the term 'special measures' is questioned. It should be noted that the Canadian Government has already returned the proceeds of liquidation of property to a number of Japanese nationals who had been residing in Canada prior to seizure and vesting of their property by the Custodian of Enemy Property.

"(ii) The Canadian Government could not return more than the proceeds of liquidation less administrative expenses and other charges even if the principle of return were accepted.

"(iii) There is no serious objection to this exemption subject to our general reservations.

"(iv) We would be interested to have some clarification of the purpose of this exemption.

"(v) The Canadian Government is not convinced of the necessity to return trade-marks to Japan except under terms satisfactory to itself.

"It is questionable whether the penultimate paragraph of Article 14 should be included in a treaty with Japan since it concerns a matter between one Allied Power and another.

"It is suggested that something should be written into the treaty concerning who is entitled to Japanese assets within territories renounced by Japan or within territory administered by any of the Allied Powers under United Nations trusteeship.

"A drafting change would seem necessary in the second sentence of Article 14 in order to avoid any question by Japan as to whether property clearly vested in the Custodian of Enemy Property by Canadian legislation is property within Canada's jurisdiction as contemplated in the treaty. The Canadian Government suggests therefore that the words 'However, Japan grants . . . within their territories' might be replaced by the following: 'However, the Allied Powers shall have the right to seize, appropriate, vest and retain in absolute ownership all property and all rights and interests in property of Japan and Japanese nationals which, between December 7, 1941 and September 2, 1945, were, according to their laws subject to their jurisdictions'."

China

Memorandum of April 24:

"As regards claims for reparations, the Chinese Government has previously communicated to the United States Government the following views through the Chinese Ambassador in Washington: 'It is to be pointed out that because of the prolonged invasion of China by Japan, the Chinese people suffered and sacrificed longer and more extensively than the people of any other invaded country. It would be entirely consonant with the principles of justice to insist upon adequate reparations being paid by Japan for the damage caused by her invasion since such Japanese property as there was within Chinese territory has been found insufficient to meet the legitimate claims, and since the interim deliveries partially effected three years ago amounted only to a token payment. In order, however, to facilitate the early conclusion of a Japanese peace treaty, the Chinese Government is prepared to waive China's claims for additional reparations provided all the other countries do likewise. Should any of them insist upon its reparations being paid to it, the Chinese Government would ask for equal, if not prior, consideration. In consideration of the conciliatory stand of the Chinese Government on the question of claim, it is hoped that the United States will give friendly support to China in the matter of recovering looted property and replacing certain art objects of historic and cultural value to the Chinese nation and in the question of transferring to China such property and assets in Japan as belonged to the puppet regime of 'Manchukuo' and the Bank of Taiwan.' The above quoted statement still represents the general position of the Chinese Government on reparations. In view of the fact that not all the Allied Powers have agreed to waive their claims for reparations, the Chinese Government is not yet in a position to offer any additional opinion.

"It is understood that the suggestions set forth in the preceding paragraphs are only tentative. The Chinese Government may submit any further comments at a later date."

Memorandum of May 23:

"The following changes relating to Article 14 (present 15) are suggested:

"1. After the date of December 7, 1941, the following parenthetical provision be inserted: '(in respect of China, the date shall be September 18, 1931)'. This date is to be applicable to China alone since a state of armed conflict between China and Japan came into existence as from September 18, 1931, immediately after the so-called Mukden incident.

"2. The date of September 2, 1945, wherever it appears in the second sentence of the first paragraph of Article 14 in the present draft, be changed to 'the date of the first coming into force of the present Treaty'. This change is considered necessary because the territories to be renounced by Japan were taken over by the Allied Powers on different dates and no other suitable uniform date can be found.

"3. The provisos under the headings (ii), (iii), and (iv) be deleted. The reason is that since the Japanese Peace Treaty is to be concluded some six years after Japan's surrender, it will be most difficult, if not impossible, for each of the Allied Powers to restore to Japan or Japanese nationals the property referred to under these headings. Furthermore, such property should also be considered a part of the Japanese assets out of which reparation claims of the Allied Powers shall be deemed to be satisfied."

Ceylon

"The Ceylon Government is of the opinion that no further claims for reparations should be made on Japanese industrial assets. Ceylon also considers that it would similarly be desirable to make no claims against Japanese stocks of gold, bullion, precious metals, etc. The value of these is understood to be of the order of £200 million and, in Ceylon's view, it would be far more practicable, and a gesture that will be welcomed by Japan, to leave this as a Currency reserve to Japan in her attempt to restore her economy, than to try to divide this up among claimant countries. Ceylon, for her part desires to waive her claims for reparations against Japan."

New Zealand

"It has been noted that the United States Government does not support the suggestion that the stocks of monetary gold under SCAP control and Japanese assets in neutral countries should be made available as reparations. The New Zealand Government is fully aware of the heavy financial burdens undertaken by the United States in supporting the post-war Japanese economy and is anxious that nothing should be done to impair Japan's ability to regain economic self sufficiency. It recognises, moreover, the force of the United States arguments in regard to Japanese assets in neutral countries, but it is reluctant to accept the view that these assets as well as the stocks of gold should be returned to Japan. Pending further consultation with other interested governments it must reserve its position on this question."

Article 16

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes

1. That the following be inserted as a new second sentence:

"Property whose return is not demanded by the owner within the prescribed period shall be disposed of by the Japanese Government as it may determine."

2. That the following be added as a new second paragraph:

"(b) Japan agrees to continue to accord to industrial property of nationals of Allied Powers the benefits afforded by Cabinet Orders 309 and 315, effective September 1, 1949; Cabinet Order 12, effective January 28, 1950; and Cabinet Orders 9 and 10, effective February 1, 1950."

The first proposed change is intended to clarify the right of the Japanese Government to dispose of unclaimed Allied property at the expiration of the six months [one year] period.

In connection with the proposed new second paragraph, the listed Cabinet Orders provide satisfactorily for the restitution of Allied patent and trade-mark rights which may have been lost during the war and for the extension of their term for a period equivalent to the period from effective date of loss to date of restoration.

These cabinet orders were put into effect in Japan pursuant to SCAP directives issued in accordance with FEC Policy Decisions dated March 30, 1949 (Press Release 52)⁶ and July 28, 1949 (Press Release 56),⁷ to which representatives of the United States, United Kingdom and other FEC countries agreed. The Treaty should not include provisions conflicting with these arrangements or likely to cause confusion as to the status of the cabinet orders and implementing regulations issued thereunder.

The major benefits accorded by the Cabinet Orders listed in the proposed paragraph may be summarized as follows:

1. *Patents.* Cabinet Orders 309 and 315 provide for the restoration of Allied patent rights which lapsed or were cancelled during the war; for the extension of their term for a period equivalent to the period from the effective date of war to date of restoration; and for the extension of the right of priority with respect to patent applications (without such extension patents could not be secured owing to loss of novelty of invention through patenting in other countries, use, or public disclosure during the war). Provisions were also made for continued use by independent inventors or their assignees of inventions patentable by Allied nationals because of the priority right extension; these provisions allow the negotiation of royalty-bearing contracts, permit appeals by either party to the Patent Office and subsequent appeals to the courts.

2. *Trade-marks.* Cabinet Orders 9 and 10 provide for the restoration of trade-marks cancelled during the war retroactively to dates of cancellation; provide that the act of cancellation shall in no way affect validity of the mark; provide that adverse use of the same or similar names prior to date of restoration shall not affect validity of the marks; provide for the disposal of goods belonging to others which bore the restored mark or an infringement thereof prior to date of restoration; extend duration of trade-mark rights for a period equivalent to that from effective date of war to date of restoration; provide that new trade-marks applied for by Allied nationals shall be treated as they would have been at the effective date of war; provide for extension

⁶ Apparent reference to the Policy Decision of March 17, 1949, "Policy Toward Patents, Utility Models, and Designs in Japan." For text, see "Third Report by the Secretary General on the Activities of the Far Eastern Commission, 24 December 1948-30 June 1950," Department of State *Press Releases*, 1950, No. 61, pp. 16-18.

⁷ "Trade Marks, Trade Names & Marking of Merchandise in Japan". Text is printed *ibid.*, pp. 19-20.

of right of priority as in the case of patents; and provide that the Allied owner whose trade-mark is restored or who acquires a new mark pursuant to the above provisions may apply for cancellation of infringing marks.

3. *Trade names.* Cabinet Order No. 12 provides that Allied nationals having trade names generally known in Japan may apply to the courts to stop the use of conflicting names subsequently adopted by others and provide, to the extent appropriate, additional relief analogous to trade-marks.

In order to avail themselves of the benefits of the Orders, Allied nationals must take certain actions by certain dates. These dates are March 31, 1951 with respect to patents and trade-marks and January 28, 1951 with respect to trade names.

In other words, unless an Allied national takes some step—such as filing an application or commencing a court action—prior to these dates, he has no remedy under the Orders.

It is not correct, however, to assume that by the date of ratification of the Peace Treaty all of the benefits of the act will have been received by Allied nationals. The following are examples of future benefits:

1. An Allied national may file a patent application prior to March 31, 1951, taking advantage of the extension of right of priority afforded him under the Cabinet Orders. The process of issuing a patent, however, involves an indeterminate period of time. It is essential, therefore, that the applicant's right of priority be recognized immediately before issuance of the patent, which may be after ratification of the Peace Treaty.

2. The Allied national referred to in (1) may succeed in obtaining his patent by proof of priority over an independent inventor. In this event it might be necessary for the Allied owner of the patent to negotiate a patent agreement with the independent inventor or a firm which commenced use through such independent invention. If the Allied owner is dissatisfied with the arrangements, he has an appeal first to the Patent Office and second to the courts. It is, of course, desirable that these appeal provisions, which could be time-consuming, continue to be available after ratification of the Treaty.

3. In order to secure cancellation of a trade-mark infringing on one which has been restored to him, an Allied national would have to bring an action for cancellation prior to March 31, 1951. The action, however, might take considerable time and, therefore, the owner might need to rely after the Peace Treaty on certain provisions of the Cabinet Orders which protect him against loss of rights arising from the wartime period of cancellation.

There is some question whether it is necessary or desirable that the new paragraph or any other special provision regarding industrial property be placed in the Peace Treaty. The first paragraph of Article 16 would probably afford some basis for protesting rescission of the rights granted to Allied nationals with respect to this type of property.

It is unlikely, however, that Japan would attempt to rescind any such rights. There is, nonetheless, some risk involved since Allied rights are based solely on these Cabinet Orders. The question should be answered in terms of the degree of risk that is being taken in the drafting of the Treaty on other problems of like character or order of importance.

Literary and Artistic Property—The note to Article 16 mentions that the U.K. will prepare a draft on literary and artistic property (and also on insurance deposits and reserves) for inclusion in this chapter of the treaty. It is believed that the U.S. should take the position that it is unnecessary to provide Allied nationals with a period of time to enable them to accomplish acts for obtaining or preserving rights in literary and artistic property which were not capable of accomplishment owing to the existence of a state of war on the grounds that :

(a) No direct action was taken by the Japanese Government during the war with respect to Allied copyrights in Japan.

(b) No acts need be performed to acquire copyright. Protection of copyright is automatic, at least with respect to publications in the Berne Union, and does not involve formalities such as application or registration with government authority.

The United States should take the position that it may be unnecessary to provide a period during which Allied nationals may institute proceedings in Japan against persons who infringed their rights in artistic and literary property on the ground that such suits can now be maintained without special provision therefor since ownership of copyright was not disturbed during the war. (This is now being checked with SCAP.)

The United States should take the position that extension of time of copyrights for a period corresponding to the period from the effective date of war to some postwar date is unnecessary, since it would constitute an insignificant addition to the present term of copyright, which is life and fifty years.

The United States should be prepared, if requested by the United Kingdom, to consider the extension in Japan of the ten-year term provided for translation rights under the Berne Convention for a period equivalent to that lost during the war period. Since the United States is not a member of this Convention, such an extension would be of no value to it. Rather than include such a provision in the Treaty, however, the U.S. should take the position that it would be preferable to handle the matter through directives to the Japanese Government. Resulting orders of the Japanese Government could then be incorporated in the list of orders referred to in the proposed second paragraph in Article 16.

III. *Views of Other Governments*

Australia

"With regard to restitution and restoration of Allied property, The Australian Government considers that Japanese obligations should be spelled out in specific detail as is done in Articles 24 and 26 of the United Kingdom draft."

Canada

"The Canadian Government considers that the last sentence of Article 15 relating to war loss of or damage to Allied property in Japan is most unsatisfactory. Nothing is known of Japanese domestic legislation on war damage claims nor have we any guarantee that any such legislation might not be revoked after ratification of the treaty. It seems unreasonable to place claimants arbitrarily at the mercy of the Japanese Government in a matter of this kind. In this connection certain of the provisions and safeguards of Article 78 of the Treaty of Peace with Italy should be included, especially the following:

"(a) Apart from the actual war damage claims, compensation at an agreed percentage should be payable in respect of any financial loss (other than a loss of profits) incurred as a result of Japanese action.

"(b) Provision should be made for compensation on a proportionate basis in respect of direct or indirect holdings by Allied nationals or corporations in Japanese corporations which have suffered war damage or sequestration.

"(c) Compensation should be paid free of levies, taxes or other charges and be freely usable in Japan.

"(d) The reasonable expenses incurred in Japan in establishing claims including the assessment of loss or damage should be borne by the Japanese Government.

"(e) Allied nationals or corporations and their properties should be exempted from and have refunded any exceptional taxes, levies or imposts imposed since December 7, 1941 on their capital assets by the Japanese Government or its agencies for the purpose of meeting the costs of or charges arising out of the war, the occupation or reparations. Japan should be prohibited from levying on Allied nationals or corporations any such exceptional taxes, levies or imposts in the future."

China

"The following sentence should be inserted between the first and second sentences of Article 15 [Article 16 of May 3 draft]:

'Property, rights or interests in Japan for one time claimed to be under the custody of, or belong to, a collaborationist regime in the territories of an Allied Power, such as the "Manchukuo" and the "Wang Ching-wei regime" in China, shall be deemed to be the property, rights or interests of such Allied Power.'

(*Comment*—The Philippine Government has asked, most recently in a note of May 16, 1951, to the Department that full title to the Philippine Embassy building at Tokyo, which was purchased by the Philippine puppet government, be transferred to the Republic of the Philippines. The request is that the transfer be made “at the earliest practicable date and before a peace treaty, or reparations settlement eventuates.”)

The May 3 treaty draft requires that the Japanese Government restore the property of “Allied Governments” but does not attempt to determine whether Allied Governments are to be considered as automatically succeeding to the property of their puppet regime predecessors. It is not believed that the treaty reference to “Allied Governments” can properly be expanded to cover every contingency arising from the existence of the puppet regimes. It is recommended that Article 16 remain unaltered and that the Chinese (and Philippine) Governments be informed that while the Department favors the return to them of any property in Japan to which they are entitled under accepted principles of international law relating to the rights of successor governments, (as well as applicable Japanese law), it is not at this time in a position to pass on the legal principles involved in the several cases. It is further recommended that a legal opinion be obtained as to the status of the Philippine Government and the Chinese Nationalist Government with relation to the respective puppet regimes to which they claim to be legal successors. In addition, decisions under Japanese law will be required to determine whether title had in fact passed to the puppet regimes in the various transactions.

A JAPQ paper now being prepared in GHQ, SCAP is expected to contain information on the property claimed by the Philippine and Chinese Governments and recommendations regarding its disposition. According to Tokyo’s despatch No. 1594, May 15, 1951,⁸ the Civil Property Custodian Section intends to propose the return of the Embassy property to the Republic of the Philippines “as an asset not to be considered an element of reparations”. According to an earlier despatch (Tokyo’s 1260, March 13, 1951),⁸ the Chinese claims to property formerly associated with the Manchukuo puppet regime are so entangled and involved so many contradictory records of fact and contention that the Civil Property Custodian has ruled that no decision on ownership of the various properties will be publicly announced until the ownership of all properties under claim has been settled.)

⁸ Not printed.

New Zealand

“While New Zealand has a relatively minor interest in the restitution and restoration of United Nations property in Japan, it is nevertheless considered that clauses covering these matters should be precisely drafted in order to avoid later dispute. For this reason it is felt that Article 15 of the United States draft could with advantage be given more detailed treatment. In this connection the implications of the sentence dealing with compensation for property lost or damaged in Japan are not clear. While it is recognised that Japan’s limited capacity to pay may make it difficult to secure compensation in full, a clause along the lines of Article 26(4) of the United Kingdom draft would in the New Zealand view be preferable.”

Article 17

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. has no changes to propose.

III. *Views of Other Governments*

Article 17 is new with the May 3 draft, which has not been circulated to other governments for comment.

Article 18

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes that the problem raised in the note to Article 18 be dealt with as proposed in connection with Article 5.

III. *Views of Other Governments*

Article 18 is new with the May 3 draft, which has not been circulated to other governments for comment.

Article 19

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes:

1. That paragraph (a) be revised to read as follows:

“(a) Japan waives all claims of Japan and its nationals (including juridical persons) against the Allied Powers and their nationals (including juridical persons) arising out of any actions

taken by the said powers and their nationals in the course of the prosecution of the war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty."

2. That paragraph (b) be revised to read as follows:

"(b) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims ~~and debts arising out of the Conventions on prisoners of war now in Korea~~ arising out of the treatment accorded by the Allied Powers to prisoners of war and civilian internees."

3. That paragraph (c) be revised to read as follows:

"(c) Subject to reciprocal renunciation of claims by Germany, the Japanese Government also renounces all claims (including debts) against Germany and German nationals (including juridical persons) on behalf of the Japanese Government and Japanese nationals (including juridical persons), with the exception of claims arising from contracts and rights acquired before 1st September 1939, but including intergovernmental claims and claims for loss or damage sustained during the war, including intergovernmental claims and claims for loss or damage sustained during the war, but excepting (a) claims arising from contracts and rights acquired before September 1, 1939, and (b) claims arising out of trade and financial relations between Japan and Germany after September 2, 1945."

The first proposed change has been made at the suggestion of the United Kingdom, made in a note of May 29, in order to make more precise the category of claims waived by Japan. In making its proposal, the British Embassy also added to the underlined phrase the following words in brackets: "or in the exercise or purported exercise of belligerent rights." If the bracketed words were suggested as a substitute for the phrase "in the course of the prosecution of the war" this latter phrase is preferable, because it is more comprehensive than the bracketed words. If the bracketed words were suggested as an addition, they would appear to be superfluous as "actions taken . . . in the exercise or purported exercise of belligerent rights" are included within the meaning of the phrase "actions taken . . . in the course of the prosecution of the war."

The second proposed change eliminates from paragraph (b) the phrase "arising out of the Conventions on prisoners of war now in force". This phrase is misleading because there is a new convention, signed August 12, 1949, now in force on the treatment of prisoners

of war, although the convention has not yet been ratified by the United States or by any of the major Allied Powers. It is not desirable to refer to the 1929 prisoners of war convention because Japan is not a party to the convention, though it did agree in the course of World War II to abide by its provisions.

Reference to claims of civilian internees as well as of prisoners of war is included because the latter phrase is not generally construed to cover civilian internees.

The British Embassy advised on May 29 that :

“On reflection the Foreign Office doubt whether the words ‘as well as any claims and debts arising out of the conventions on Prisoners of War now in force’ would extinguish all types of claims which the Japanese could raise against the Allies under the 1929 Geneva Convention on Prisoners of War or in respect of Japanese surrendered personnel. In order to make this waiver of claims comprehensive they would prefer to substitute for the words quoted above the following ‘as well as any claims and debts arising in respect of Prisoners of War’ ”.

This comment indicates that the U.S. revision of paragraph (b) will be acceptable to the U.K.

In respect to the revision of paragraph (c), the proposed renunciation by Japan of its war-time claims against Germany would seem to be justifiable only if Germany agrees to a reciprocal waiver. In considering the problem of appropriate waiver by the Federal Republic and its nationals of war-time private and governmental claims against countries at war with Germany, the Intergovernmental Study Group on Germany has tentatively proposed (Document IGG/P(51)91(2nd Revise, 27 April 1951) that such waivers be “without prejudice to the terms of the peace settlement with Germany”. Since it appears improbable that the Federal Republic would at this time give an unqualified waiver of German claims against Japan, the qualification with regard to reciprocity would in effect keep Japanese claims alive until German claims are waived.

III. *Views of Other Governments*

Canada

“The Canadian Government agrees with the need for a clause under which Japan would renounce her claims against the Allied Powers for action taken during the war but believes that a more precise definition of the claims to be renounced should be included. It suggests a clause along the lines of Article 76 of the Treaty of Peace with Italy.”

China

“The following paragraph should be added to Article 16 (of the U.S. March draft) as its second paragraph :

‘Without prejudice to the provisions of Article 10, Japan waives in favor of the Allied Powers all claims of Japan and her nationals to rights or benefits under all treaties, agreements or contracts concluded prior to the state of war hereby ended.’”

(*Comment*—The purpose of this provision is not clear. It appears to call for a one-sided waiver by Japan of all rights and benefits accruing to it under all pre-war treaties, agreements or business contracts, with no corresponding waiver by the Allies. It also appears to run directly counter to paragraph 1 of the first protocol to the May 3 draft, under which Japan is to resume its rights and obligations under all presently effective pre-war international instruments.)

Article 20

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. has no changes to propose.

III. *Views of Other Governments*

Article 20 is new with the May 3 draft, which has not been circulated to other governments for comment.

CHAPTER VI

SETTLEMENT OF DISPUTES

Article 21

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. has no changes to propose.

III. *Views of Other Governments*

Canada

“The Canadian Government is of the opinion that provision might be made for the appointment of special conciliation commissions or tribunals to deal with disputes arising out of individual war claims. While it would be desirable that the President of the International Court should appoint such special tribunals, it would not seem necessary to involve the prestige of the Court itself in disputes of a technical nature and of relatively minor importance. Provisions for the establishment of conciliation commissions or tribunals should be so drafted as to reduce to a minimum the risk of disagreements on such matters as membership of a conciliation commission or tribunal, the rules of procedure thereof, or the stage at which a dispute may be referred thereto. The Canadian Government, having in mind the experience gained with respect to earlier treaties of peace, would suggest that some provision be included in a clause of this nature defining when

a dispute may be considered to exist. It might, in addition, be desirable to limit the period for settlement of a dispute through diplomatic channels in order that diplomatic exchanges could not be carried out indefinitely with the object of avoiding a decision."

CHAPTER VII
FINAL CLAUSES

Article 22

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes revision of the second sentence of this Article as follows:

"It shall thereafter *for a period of three years* be open to accession by any such State which has not signed it."

The phrase "for a period of three years", which was contained in Article 22 of the U.S. March draft, was inadvertently omitted from the May 3 draft.

III. *Views of Other Governments*

China

"The following paragraph should be added to Article 18 (of the U.S. March draft) as its second paragraph:

'For the purpose of the present Treaty, the nationals of an Allied Power shall be deemed to include all the inhabitants of the territories renounced by Japan and administered by such Allied Power; and the vessels and companies of an Allied Power shall be deemed to include all those registered in accordance with the laws and regulations enforced by such Allied Power in such territories.'

(*Comment*—While obviously directed toward assuring that Formosan claims are recognized as Chinese claims, the proposed paragraph would affect all ceded or renounced territories. Thus the arrangements contemplated in Article 5 of the May 3 draft regarding claims of the ceded territories and property and claims related to the trust territories would be pre-determined to be the same treatment as is provided for Allied claims and Japanese property in Allied territories. The leaving of these matters to future arrangements reflects the U.S. desire not to prejudge the issue pending further study. In the meantime, we should not accept a formula which, for example, would by the test of "administration" make the inhabitants of the Trust Territory nationals of the United States for purposes of the treaty.)

Article 23

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes:

1. That "States" be substituted for "Powers" near the middle of paragraph (a).
2. That "[Korea]"⁹ be deleted.
3. That a clause reading "not later than three years after the date of deposit of Japan's ratification" be added at the end of paragraph (b).

The first of these changes is merely in the interest of uniformity, "States" having been employed earlier in the paragraph.

The second change is necessitated by the new U.S. position that Korea should not be a signatory to the treaty.

The third change is to establish a time limit on the right of states at war with Japan to bring the treaty into force between themselves and Japan, similar to the time limit under the procedure set forth in paragraph (a).

III. *Views of Other Governments**Canada*

"The Canadian Government suggests the words 'or the principal occupying power' be deleted."

(*Comment*—The phrase is not necessary and could be deleted if it offends anyone.)

Ceylon

"The Treaty should be ratified by the Allied Powers and by Japan, and should come into force when instruments of ratification have been deposited by a simple or 2/3rds majority of the States parties to it. The Ceylon Government does not agree that the coming into force should be conditional on the ratification by one or more particular States."

India

"The Government of India are not quite clear about the position of an Allied Power vis-à-vis Japan if the former for some reason finds itself unable to sign the same treaty as agreed upon by a majority of the members of the Far Eastern Commission including the United States.

"It is the view of the Government of India that a non-signatory Allied Power to the proposed treaty should not be prevented from signing a separate peace treaty with Japan so long as the terms of such a separate treaty or treaties do not constitute any threat to peace or confer upon the signatory powers greater advantages than those for signatories to the treaty under discussion in its final form."

⁹ Brackets appear in the source text.

(*Comment*—Article 20 of the U.S. March draft forbidding Japan to make a peace settlement with a state not signatory to the Treaty which granted that state greater advantages than contemplated by the Treaty has been deleted.)

Article 24

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes the following:

“All instruments of ratification or accession shall be deposited with the Government of the United States of America which will ~~give notice of them and of the date of their deposit, as also~~ notify all the signatory and acceding states of each such deposit and of any notifications made under paragraph (b) of Article 23, to all the signatory and acceding States of the present Treaty.”

The changes, suggested by the Department's Treaty Division, are solely in the interest of better treaty draftsmanship.

III. *Views of Other Governments*

No objections offered.

Article 25

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

The U.S. proposes that “Article 11” be revised to read “Article 10 and 12”. (These numbers are on the assumption that the proposed new article on Korea is included, resulting in the present Article 11 becoming Article 12.)

III. *Views of Other Governments*

No objections offered.

Article 26

I. *May 3 Draft*

[Article omitted.]

II. *U.S. Position*

“The present Treaty shall ~~remain~~ be deposited in the archives of the Government of the United States of America ~~by whom each signatory State will be furnished with a certified copy and will be notified~~ which shall furnish each signatory or acceding State with a certified copy thereof and notify each such State of the date of the coming into force of the Treaty under paragraph (a) of Article 23 of the present Treaty.”

The changes in this Article, suggested by the Department's Treaty Division, are solely in the interest of better treaty draftsmanship.

III. *Views of Other Governments*

No objections offered.

Signatory Clauses

I. *May 3 Draft*

[Clauses omitted.]

II. *U.S. Position*

It is proposed that the first paragraph end with "the present Treaty." The deletion of the reference to seals is proposed by the Treaty Division, which states that the use of seals would complicate the signing ceremony and might well be foregone, as it was for the North Atlantic Treaty.

III. *Views of Other Governments*

The signatory clauses are new with the May 3 draft, which has not been circulated to other governments for comment.

PROTOCOL

I. *May 3 Draft*

[Protocol omitted.]

II. *U.S. Position*

The U.S. proposes the following revision of this protocol:

"With respect to the Treaty of Peace signed this day, the Government of Japan makes the following Declaration:

"1. Except as otherwise provided in the said Treaty of Peace, Japan recognizes the full force of all presently effective multi-lateral international instruments to which ~~she~~ Japan was a party on 1st September, 1939, and declares that ~~she~~ it will, on the coming into force of the said Treaty, resume all ~~her~~ its rights and obligations under those instruments. Where, however, participation in any instrument involves membership in an international organization of which Japan ceased to be a member on or after 1st September, 1939, the provisions of the present paragraph shall be dependent on Japan's readmission to membership in the organization concerned.

"2. It is the intention of the Japanese Government formally to accede to the following international instruments within six months of the coming into force of the Treaty of Peace:

- (1) The International Convention for the regulation of whaling signed at Washington on 2nd December, 1946, as subsequently amended;
- (2) The Protocol amending the 1931 Narcotics Convention signed at New York on December 11th, 1946;

- (1) Protocol opened for signature at Lake Success on December 11, 1946 amending the agreements, conventions, and protocols on narcotic drugs of January 23, 1912, February 11, 1925, February 19, 1925, July 13, 1931, November 27, 1931, and June 26, 1936;
- ~~(3) The Protocol on the Traffic in Synthetic Drugs signed at Paris on 19th November, 1948;~~
- (2) Protocol opened for signature at Paris on November 19, 1948 bringing under international control drugs outside the scope of the convention of July 13, 1931 for limiting the manufacture and regulating the distribution of narcotic drugs, as amended by the protocol signed at Lake Success on December 11, 1946;
- ~~(4) Customs Formalities Convention, 1923;~~
- ~~(5) The International Convention on the Execution of foreign Arbitral Awards of 1927;~~
- ~~(6) Convention relating to economic statistics, 1928 and Protocol 1948;~~
- (3) International convention relating to economic statistics, with protocol, signed at Geneva on December 14, 1928, and protocol amending the international convention of 1928 relating to economic statistics, signed at Paris on December 9, 1948;
- ~~(7) Agreement on false indications of origin, 1934;~~
- (4) Agreement for the prevention of false indications of origin of goods signed at London on June 2, 1934;
- ~~(8) Convention establishing uniform rules with respect to assistance and salvage at sea, 1910;~~
- ~~(9) International load line convention, annexes and final act, 1930, as subsequently amended.~~
- (5) Convention for the unification of certain rules relating to international transportation by air, and additional protocol, signed at Warsaw on October 12, 1929;
- (6) Convention on safety of life at sea opened for signature at London June 10, 1948;
- ~~(10) Each of the four Conventions on conduct in time of war signed at Geneva on 12th August, 1949.~~
- (7) Geneva conventions of August 12, 1949 for the protection of war victims.

"3. It is equally the intention of the Japanese Government, within six months of the coming into force of the Treaty of Peace, to apply for Japan's admission to participation in the Convention on International Civil Aviation opened for signature at Chicago on the 7th December 1944, and as soon as Japan is herself itself a party to that Convention, to sign and accept the International Air Services Transit Agreement also opened for signature at Chicago on 7th December, 1944."

The changes in paragraph 1 are simply in the interest of clarity and improved treaty drafting.

The changes in paragraph 2 where the treaties and conventions listed in the May 3 draft have been retained consist merely of the substitution of technically more precise titles. The changes in the composition of the list have been made for the following reasons:

Deletion of Convention for the Regulation of Whaling—This convention has been omitted because Japan has recently become a party to it.

Deletion of Customs Formalities Convention of 1923 and Convention on the Execution of Foreign Arbitral Awards of 1927—the convention relating to customs formalities recognizes the principle of the equitable treatment of commerce. It requires the avoidance of unjust discrimination and the prevention of the arbitrary or unjust application of laws and regulations with regard to customs and other similar matters, and provides for adequate redress for those prejudiced by such abuses. The subjects dealt with in the convention include export prohibitions and licenses, publication of customs tariffs and regulations, treatment of commercial travelers and their samples, certificates of origin, consular invoices, certificates of analysis, rapid passage of goods through customs, examination of passengers' luggage, goods in warehouse and warehousing charges, and temporary exports and imports. The convention was signed for Japan on November 3, 1923, but was never ratified by Japan.

The international convention on the execution of foreign arbitral awards supplements the protocol on arbitration clauses signed at Geneva September 24, 1923. Under the protocol contracting states recognize the validity of an agreement between different contracting states by which they agree to submit to arbitration all differences that may arise in connection with a contract relating to commercial matters. The convention provides that an arbitral award made in pursuance of such an agreement for settlement of differences shall be recognized as binding and shall be enforced in accordance with the rules of procedure of the territory where the award is relied upon, provided the award has been made in the territory of one of the contracting states and as between persons who are subject to the jurisdiction of one of the contracting states. The protocol was signed for Japan on September 24, 1923, and ratified by Japan on June 4, 1928. The convention was signed for Japan September 26, 1927, but was never ratified by Japan.

These two conventions are not the type of conventions usually listed for compulsory accession in a peace settlement and no special justification for so doing in the Japanese treaty is perceived. Neither of the conventions falls within the category of treaties which cover subjects of general and mutual concern to the international community and which, for that reason, are embodied in peace treaties for the purpose of having the former enemy state assume the obligation thereunder. This concept of general concern to the international community does not, in general, apply to customs regulations, which are traditionally a matter of internal concern, or to the execution of arbitral awards which

relate solely to commercial contracts. It has not been possible to ascertain why Japan, after becoming a signatory to the conventions, never ratified them, but it may have been that the customs formalities convention would have required too many radical changes in Japan's customs laws and that the convention on execution of foreign arbitral awards was too inconsistent with Japan's system of jurisprudence. It was apparently for these reasons that the United States never became interested in becoming a party to either convention. In the case of the arbitral award convention, it is interesting to note that Japan deposited its ratification with respect to the protocol on arbitration awards on June 4, 1928, subsequent to the date of its signature of the supplementary convention on execution. It would appear that the latter instrument must have been considered and rejected at the time the protocol on arbitration awards was considered and ratified.

In view of the above, it appears to be unfair and unwise to impose upon Japan the obligation of acceding to the two conventions, particularly when it would probably necessitate extensive changes in the laws and the system of jurisprudence of Japan. It might be that it would be to Japan's advantage to become a party to each of the conventions, but it is believed that such action should be a matter for study and final determination by Japan acting upon its own initiative.

Deletion of Convention on Assistance and Salvage at Sea of 1910 and Load Line Convention of 1930—Japan was a party to these conventions in 1941 and, since they are still effective, will automatically be required by paragraph 1 of the protocol to resume participation.

Addition of the Warsaw Convention of 1929—The Warsaw Convention relates to the liability of aircraft operators with regard to injury or death of passengers or damage to cargo carried on aircraft engaged in international operations. Until Japan begins operating international services it will be of little benefit to Japan to be a party to this convention. Nevertheless, it is believed to be desirable for Japan to become a party to this convention in order to make its benefits available to the international airlines operating into Japan.

Addition of Convention on Safety of Life at Sea—Japan was a party to the older convention on this subject operative in 1941 and it is considered desirable to ensure that it becomes a party to the new one established in 1948.

In regard to the deletion of the phrase "sign and" in paragraph 3, while the introductory statement to the International Air Services Transit Agreement refers to "The States which sign and accept this International Air Services Transit Agreement", Article VI of the agreement makes it clear that the states which signed the agreement are the states which had delegates at the conference in Chicago in 1944 where the agreement was drawn up, though any state a member of the International Civil Aviation Organization may accept the agreement. Therefore, when Japan becomes a party to the Chicago Convention, thus also becoming a member of the International Civil Aviation Organization, it will be eligible to accept the transit agreement but not to sign it.

III. *Views of Other Governments*

No objections offered.

PROTOCOL

I. *May 3 Draft*

[Protocol omitted.]

II. *U.S. Position*

The U.S. has no changes to propose.

III. *Views of Other Governments*

No objections offered.

694.001/6-451: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State*¹

SECRET

LONDON, June 4, 1951—4 p. m.

6344. From Dulles for the Secretary.² With Gifford, lunched with Massigli.³ He stated French view that we shld not now seek Japanese peace treaty as this wld be an additional irritation of the Russians. He advocated policy of gradually relaxing controls as in case of Ger. I expressed surprise that this viewpoint, expressed now for first time after nine months of negotiating, had created publicly and particularly in Japanese minds the impression we wld promptly complete peace treaty. I said that now to change our policy on ground that we feared to offend Russia wld almost surely lead Japan to conclusion that Soviet Union was dominant power and under those circumstances they wld not genuinely align themselves with free world. I referred to the preponderant role played by US in winning Japanese war and conducting occupation and said in fact that in my opinion US wld not now publicly take a cowardly role in Japan which wld almost surely lose all we have struggled for past ten years. I said that US, if forced to choose between disunity with France on Japanese issue or forfeiture of all our hopes for Japan, wld probably accept disunity with France on this particular matter as lesser evil. Massigli made it obvious that French wld be willing to sacrifice Japan in hope of gaining more time for strengthening Western Eur. As subsidiary point, Massigli suggested that US might be willing to make security pact with Indochina as with Australia or New Zealand. He also suggested possibility of series of similar bilateral peace pacts with Japan

¹ Repeated to Paris as telegram 2580.

² Mr. Dulles had arrived in London June 2. With him were Mr. Allison and Colonel Babcock.

³ René Massigli, Ambassador of France in the United Kingdom.

rather than a single instrument, feeling that series of bilaterals wld less obviously exclude Soviet Union and Commie China.⁴

Massigli said he wld be in touch with the Brit during our current negots and wld want exchange views with me again before I left for France. [Dulles.]

GIFFORD

⁴ In telegram 7611 from Paris, June 8, repeated as 2010 to London for the information of Mr. Dulles, the Embassy stated in part:

"In discussing views given by Massigli to Dulles re Japan peace treaty (London's 6344, June 4 to Dept) Baeyens, Director Asian Div FonOff, stated that French had no intention hold up or sabotage in any way US plans for Jap peace treaty. FonOff, however, was inclined to consider timing of great importance and Baeyens felt that too precipitate conclusion of treaty might jeopardize possible settlement Korean conflict.

Baeyens appeared to be impressed with Dulles' arguments to Massigli, and stated that French, in considering problem, had not taken into account Jap and Amer public opinion.

Referring to Massigli's suggestion concerning US-Indochina security pact, Baeyens said that this was apparently personal idea of Amb since he had never heard it raised in FonOff." (694.001/6-8510)

694.001/6-451 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, June 4, 1951—8 p. m.

6361. From Dulles for the Secretary No. 2. Concluded first FonOff mtg; first part alone with Morrison, then with Younger, Dening, Scott¹ and other working group members. Morrison accepted principle of quick peace and liberal peace but stated Jap wrongs and cruelties not forgotten and cld not be wholly ignored in treaty. He went on to make fol points:

- (1) Armament shld be specified beyond which Jap cld not go without consent of Allied powers;
- (2) Some recognition of mistreated prisoners of war and families for which purpose all or part of Japan's gold shld be applied;
- (3) Formosa's status to be unchanged;
- (4) No present participation on behalf of China;
- (5) More detail on commercial and fin matters.

Only major surprise is proposal for limiting rearmament which is directly contrary to position expressed in UK *aide-mémoire* of March 12,² which expressly stated treaty shld not limit size or nature

¹ Kenneth Gilmour Younger, Minister of State for Foreign Affairs; Sir M. Esler Dening, assigned Special Duties in the Far East with the rank of Ambassador; Robert Heatlie Scott, Assistant Under Secretary of State and Superintending Under Secretary of the Far Eastern Department.

² *Ante*, p. 909.

of Jap armed forces. Atmosphere cordial and friendly with expressed desire to reach early agreement. However, it seems clear they anticipate possibility of concessions which we cld not make. [Dulles.]

GIFFORD

694.001/6-551 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, June 5, 1951—8 p. m.

6377. From Dulles for the Secretary. No. 3. At mtg this morning with Younger in chair all members of both delegations went thru draft treaty, art by art, to determine main questions of policy to be decided upon as distinct from drafting and technical points of difference. During afternoon delegates divided and Dulles and Younger, with principal advisers, discussed main points of difference in respect to policy, while remainder of both delegations considered drafting and technical questions.

Chief policy questions discussed this afternoon were participation of Chi and ques of Formosa. UK originally proposed that neither Chi sign treaty initially and that provision be made that when two-thirds of the fourteen states principally concerned concluded on which govt is legitimate rep of Chi that wld be the govt which wld then adhere to treaty. Brit reluctant to agree to a suggested formula which wld provide for both Chi govts signing or adhering in manner making clear precise nature of *de facto* auth of each. Brit contention was that any signing by Chiang Govt wld by implication at least confirm his auth over Formosa and wld give his govt greater status than wld be acceptable. UK believes important some formula be found which will make possible greatest number of signatories to treaty and claim that any solution which includes Nationalist Chi to any degree will automatically eliminate most, if not all, of Asian states and probably other. Both dels agreed consider matter further and it is hoped definite recommendation can be made to Morrison at mtg with him tomorrow evening.

On question of Formosa, UK initial position was that it shld be ceded to Chi with some provision that it wld not be turned over legally to Chi until question of which Chi shld adhere to treaty is resolved. However, at end of discussion Brit del apparently was inclined to accept US contention that treaty shld merely require Jap renunciation of sovereignty over Formosa, leaving future status to be decided later. This was made easier for UK by earlier US suggestion that Sakhalin and Kuriles be similarly treated and not definitely ceded to USSR by treaty.

Remaining principal topic to be discussed is security question on which UK has expressed concern that Brit Parl and public opinion will find it difficult to accept treaty which sets Jap free from all restrictions on rearmament and does not provide in itself any safeguards. After detailed explanation of basis for US position and significance of bilateral US-Jap pact in this connection, UKDel suggested that problem of Cab wld be greatly simplified if US cld at appropriate time make more clear to public method by which in fact it believes dangers from a resurgent aggressive Jap can be avoided. In this connection it was interesting that at FonMin's luncheon this noon Secy of State for Commonwealth Relations¹ expressed opinion that while govt wld be hard pressed on lack of security restrictions in treaty, nevertheless greatest difficulty over obtaining popular acceptance for treaty wld be psychological one caused by lack of some reparations or other payment to large numbers of prisoners of war who have recd harsh treatment at hands of Japs. He suggested that if something cld be done along the lines of providing compensation for these individual sufferers at Japs hands, it wld go far toward easing pressure on the govt.

I have appointment 10:30 tomorrow to discuss question of Jap's gold and assets in neutral and ex-enemy countries with Chancellor of Exchequer² and we are considering possibility of some provision by which Jap transfers its assets in neutral and ex-enemy countries to some internatl agency, perhaps internatl Red Cross, which wld be able to use them for the benefit of prisoners of war and families who have suffered undue hardship at hands of Japs.

Tone of mtgs to date has been cooperative and there has been evident real desire to reach agreement altho difficulties ahead have in no way been minimized.

Attlee and I had mtg this morning where problems discussed generally in same spirit. [Dulles.]

GIFFORD

¹ Patrick Gordon Walker.

² Hugh Gaitskell.

694.001/6-651 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, June 6, 1951—8 p. m.

6409. From Dulles to the Secretary. No. 4. Fol morning mtg with Younger we met this afternoon with Morrison and tentatively came to fol conclusions subj to Morrison discussion with Cabinet Thursday afternoon and my expressed lack of authority to make firm commitments.

(1) As regards China, no Chinese Govt wld be invited to sign multilateral treaty but states at war with Japan, including China, not original signatories wld be entitled to accede to treaty after it otherwise comes in force. Also Japan may negotiate and conclude bilateral peace treaty with any state at war, including China, upon terms similar to multilateral treaty.

(2) Re Formosa, Brit accept our formula for renunciation by Japan otherwise leaving situation in present status and avoiding any repetition of Cairo.

(3) Re Jap rearmament, it seems agreed to drop demand for any treaty limitations placing reliance upon the practical restraining effect of presence of US forces. However, at or before signing UK will expect some formal advice from the US outlining joint security arrangement and our intentions thereunder.

(4) Re gold, I had extended and somewhat spirited debate with Chancellor Exchequer without result except that as I told Morrison afterwards we have the gold and he doesn't. Believe my mtg with Exchequer was primarily designed to allow him to ascertain firsthand that there was nothing doing on this subj.

(5) Re restriction Jap shipping, this question raised again but without vigorous effort to overcome our adamant position on this subj. Understood that Allison when in Jap wld endeavor to obtain data on shipping which wld practically be somewhat reassuring.

(6) Congo Basin matter still open.

Emphasize foregoing subj to Cabinet discussion and also to detailed drafting which might develop differences which wld reopen any of these matters.

Subj to foregoing joint technical examination of text has been completed with substantial agreement. [Dulles.]

GIFFORD

694.001/6-751 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, June 7, 1951—7 p. m.

6433. From Dulles for the Secretary. No. 5. After further consideration and as a result of talk with Younger this afternoon, we have tentatively agreed to amendment of procedure outlined para number 1, my msg number 4 (Embtel 6409 June 6).¹ Under present plan, right of accession will be eliminated but Japan will agree upon the request of any state "which signed and adhered to the UN Declaration of Jan 1, 1942² and which is at war with Japan and which is not a signatory" of multilateral treaty to conclude with such state bilateral treaty on same or substantially same terms during period of three years after

¹ *Supra.*

² For text, see *Foreign Relations*, 1942, vol. 1, pp. 25-26.

coming into force of multilateral treaty. This wld permit Japan to determine which Chi it wished to do business with.

Tomorrow's mtg expected to make clear results tonight's Cabinet mtg on broad political issues after which it shld be possible to begin completion of final tentative draft. I expect leave for Paris Saturday³ noon while remainder of mission stays here to put draft in shape. Present plans are for me to return London June 13 and leave for Washington evening June 14. During my second stay here, hope to reach tentative agreement with Brit on next steps and on form of presentation of draft to other nations.⁴ [Dulles.]

GIFFORD

³ June 9.

⁴ Telegram 6438 from London, June 8, is marked "From Dulles to the Secty Number 6." The entire text follows: "Younger informed us last night that Cabinet was unwilling to go along with arrangements tentatively negotiated with Morrison: principally on ground that non-participation of Nationalist China through separate bilateral peace treaty is not sufficiently protected for the future. We shall learn details from Morrison today but we are disposed not to make further concessions." (694.001/6-851)

694.001/6-851

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, June 8, 1951—9 p. m.

6456. From Dulles for the Secretary (No. 7). Had private mtg with Attlee this evening to discuss Chinese participation question. I pointed out that we had agreed to recommending having either both or neither Chinese Govt signatory to Jap peace treaty and that no one cld expect more. Attlee stated allied powers shld reserve from Jap sovereignty right to conduct its foreign relations with China and that this should come under supervision of FEC group as originally proposed by UK.

I said UK proposal unacceptable for 4 reasons:

1. Failure to restore Jap to status of sovereign equality wld undermine entire basis of treaty and our cooperative arrangements with Jap contemplated after treaty;

2. UK proposal wld throw apple of discord into ranks of FEC powers;

3. FEC group couldn't deal with question in pragmatic way possible for Japs and inability of group to agree wld saddle individual members with grave responsibility for resulting situation;

4. Scarcely concealed motivation of UK was distrust of US influence in Jap and desire to nullify and circumscribe it.

For all above reasons UK proposals unacceptable. Jap wld probably work out its relations with China if left alone better than other

could do. Not only US but also UK would have influence in Japan, particularly if we jointly sponsored treaty.

Attlee seemed unconvinced but said he would take matter up again with Cabinet Monday.¹ All members of Foreign Office from Morrison, Younger and Denning on down seem persuaded of reasonableness of US stand and are apparently trying to influence decision in our direction.

Allison and remainder of Mission remaining in London to bring tentative draft into good shape while I am in Paris. Hope to have favorable Cabinet decision by my return London June 13 but this by no means certain.² [Dulles.]

GIFFORD

¹ June 11.

² Telegram 6485, from London, June 11, is marked "For Rusk from Allison. Paris for Dulles [as number 2669]." The entire text follows: "Denning informed us this afternoon that at Cabinet meeting this morning agreement had been reached to former formula on Chinese accession on assumption that US would be able to meet the Brit on some of the remaining minor outstanding points. This formula as previously indicated provides for neither Chinese Government signing original multilateral pact and leaves it for determination of Japanese as to what Chinese Government it will deal with." (694.001/6-1151)

Editorial Note

On June 10, the Soviet Union replied to the United States note of May 19 concerning issues related to a Japanese peace treaty. An unofficial English translation of this memorandum is printed in the Department of State *Bulletin*, July 23, 1951, page 138. The United States memorandum in reply of July 9, released to the press July 14, is *ibid.*, page 143.

694.001/6-1451

*Memorandum of Conversations, by the Consultant to the Secretary (Dulles) and the Second Secretary of the Embassy in France (Utter)*¹

SECRET

PARIS, June 11, 1951.

Participants: M. Alexandre Parodi²
 M. Jean Chauvel³
 M. James Baeyens
 M. Emile Naggiar⁴

¹ This memorandum is the enclosure to despatch 3607 from Paris, June 14, not printed.

² Secretary General of the French Ministry of Foreign Affairs.

³ Permanent Representative of France to the United Nations with the rank of Ambassador.

⁴ Former Ambassador of France to China (1938) and the U.S.S.R. (1938-1940).

M. Jacques Roux ⁵

M. Pierre Charpentier ⁶ and

M. Pierre Cerles,⁷ all of the French Foreign Office.

The Honorable John Foster Dulles, Department of State.

The Honorable David Bruce, Ambassador, Paris.

John E. Utter, Secretary of Embassy, Paris.

At the request of M. Parodi, Mr. Dulles reported briefly on the status of the London negotiations.

The French Delegation seemed particularly interested in the proposed handling of China. Mr. Dulles stated that various formulae were being considered and that the U.S. had suggested either to invite both Chinese Governments or neither. The matter was being considered by the British Cabinet.

M. Parodi indicated that France would be disposed to go along with any solution on this matter that was agreed to by the U.S. and U.K.

M. Parodi then asked what the plans were for concluding the treaty. Mr. Dulles stated that we hoped that there could be soon a text which substantially reflected all the known points of view, except probably that of the Soviet Union; that thereupon this text would be transmitted to all the countries which had been at war with Japan, requesting with short delay any comments they had, with the understanding that there would then shortly be held a conference to sign the treaty, subject to such final minor changes as might be generally agreed upon in advance of the final engrossing of the text. We hoped that this final signing conference could be held by the end of the summer, although probably ratification and coming into force of the treaty could not occur until some time in 1952.

M. Baeyens said that he had heard it suggested that Japan would have discretion to deal with the question of China. Mr. Dulles stated that if there was a multilateral treaty which China was not invited to sign, that would automatically leave to Japan the problem of dealing with other states at war by means of bilateral treaties which the multilateral treaty would permit, on the understanding that if they granted more favorable rights, the parties to the multilateral treaty would participate *pari passu*.

Mr. Dulles stated that the U.S. would like to see Japan at peace with all the countries, including the Soviet bloc, which had been at war, and that it might be more convenient for the Japanese to work this out directly than on a multilateral basis.

⁵ Assistant to M. Baeyens.

⁶ Director General for Economic Affairs in the French Ministry of Foreign Affairs.

⁷ Assigned to the French Foreign Ministry with the rank of Secretary of Embassy.

M. Parodi raised the question of accession clauses and said he assumed that if we proceeded on the theory now being discussed, there would be no accession clause. Mr. Dulles confirmed this.

M. Naggiar asked whether this would mean that Article 19 of the U.S. March draft ⁸ would be dropped. Mr. Dulles said no, that Article 22 would be dropped and Article 19 might be modified somewhat. The French Delegation seemed to attach considerable importance to modifying the last part of Article 19.

M. Parodi raised the possibility of a series of bilateral pacts. Mr. Dulles stated that this was one possibility that the U.S. was prepared to entertain but that the U.K. had indicated a preference for a multi-lateral treaty limited to certain invited states, as otherwise it would be difficult to prevent the conclusion of a simultaneous bilateral treaty between Japan and the National Government of China.

M. Parodi raised the question of whether we would consider that any of the provisions of the Japanese peace treaty would be a precedent for Germany. Mr. Dulles stated that the U.S. did not consider that the two situations were comparable and that it was definitely understood within our own Government as between those working upon the Japanese and German peace settlements, that neither constitutes a precedent for the other, and he could assure M. Parodi that the U.S. would not claim that acceptance by the French of a certain solution for Japan in any way implied acceptance of the same solution for Germany. M. Parodi said this reassurance was of the utmost importance to the French Government.

M. Parodi asked whether we considered it impractical to proceed with Japan through a series of liberalizing steps as were contemplated in the case of Germany. Mr. Dulles stated that for better or for worse the Japanese had been led to expect a peace treaty which would as a single act restore their sovereignty. He believed that any alteration of that program at the present time would have serious, perhaps disastrous repercussions upon Japanese good will and that this change ought not now to be considered.

M. Parodi raised the question of the bearing that proceeding with a Japanese peace treaty might have upon other relations with the Soviet Union, notably the matters which were being discussed at the Palais Rose.⁹ Mr. Dulles stated that in his opinion weakness and timidity shown in relation to the Japanese peace treaty would have bad repercussions upon other negotiations with Russia because it would encourage the Russians to be stronger and threatening. He

⁸ All references to specific articles throughout this conversation are to those in the draft of March 23, p. 944.

⁹ Reference is to exploratory four-power conversations of France, the U.S.S.R., the United Kingdom, and the United States held in Paris from March to June of 1951. Documentation on these conversations is scheduled for publication in volume III.

pointed out that the Soviet Union had no legal, practical or moral basis for obstructing the Japanese peace; that it had neither made a major contribution to winning the Japanese war nor had it a veto through the Council of Foreign Ministers, nor had it a practical control through occupation. If under these circumstances we allowed ourselves to be intimidated, that would only encourage the Russians to be more threatening in other matters. To show that we were not afraid to act when we had a clear and moral right to do so was the best way to win Russian respect.

M. Chauvel said that the question raised was not merely of substance but of tactics, but he thought it had been answered by Mr. Dulles' reply.

Mr. Dulles went on to say that what was at stake was not merely the relations with Russia regarding Europe but the maintenance of Japan within the free world. Communists in Japan were threatening and boasting that the U.S. and other Western nations were not really prepared to stand firm in the Pacific but would abandon Japan in order to gain time for Europe, therefore they said it would be foolish for them to cast in their lot with the Western powers. If we did anything which seemed to confirm this Communist propaganda in Japan, it would be fatal and almost surely result in an eventual tie-up between Soviet Russia, Communist China and Japan, which would be a very formidable combination which for a considerable time at least would dominate most of the entire Pacific area and Southeast Asia.

M. Parodi stated that this was a most important explanation and decisive for the French Government.

M. Naggiar asked Mr. Dulles what he thought might be the Soviet reaction, having regard to the Sino-Soviet treaty of alliance of 1950. Mr. Dulles stated that he doubted that the Soviet Union wanted now to precipitate a general war. If, however, they did, it would not be because they felt compelled to do so by treaty but because for other reasons they wanted to do so. They might under these circumstances make the Sino-Soviet treaty a pretext in view of rearmament under NATO. Actually there was no prospect of any early Japanese rearmament which could honestly be regarded with fear by the Soviet Union and intrinsically be a reason for Soviet action. Mr. Dulles then explained at considerable length the present lack of armament by the Japanese and pointed out that the real concern of the Soviet Union was with the U.S. position in Okinawa which would exist whether or not there was a Japanese peace treaty.

At this point the discussion turned to particular terms of the proposed treaty, as follows:

1) *War Guilt*. The French suggested there might be some war guilt clause similar to the Italian treaty. Mr. Dulles, referring to the Treaty

of Versailles, said he did not much favor these clauses, but that the U.S. would consider in the reparations section some reference to Japanese responsibility in principle for damage done to the Allied powers by the Japanese war. M. Parodi said that France did not really feel very strongly on the question of war guilt.

2) *Territorial Clauses.* M. Chauvel raised the question of Article 5 which, read in conjunction with Article 19, would seem to leave Japan with sovereignty over South Sakhalin and the Kurile Islands on the assumption that the Soviet Union did not sign the treaty. He suggested that it might be better to include reference to Sakhalin and the Kurile Islands in the formula of Article 3. Mr. Dulles said the U.S. would be prepared to consider sympathetically this suggestion.

M. Chauvel raised the question of whether it would be desirable to include a reference to solution of the territorial problems by the U.N. as had been originally proposed in the U.S. statement of Seven Principles. Mr. Dulles stated that exchanges of views already had indicated that there was strong opposition to this solution. The Soviet Union took the position that the Yalta Agreement was not subject to review by the U.N., and both Chinese factions took the same view regarding Formosa. It seemed therefore better to limit the Japanese peace treaty to liquidating the Japanese interest and not going into the question of how the future might be dealt with. He felt that it was dangerous by treaty to impose upon the U.N. a responsibility so heavy that it might even disrupt the U.N. itself. There seemed to be acquiescence in this point of view.

It was suggested that the treaty might actually define Japan's future territory. Mr. Dulles stated that the British had suggested this and had presented a map¹⁰ which showed that the Habomai Islands belonged to Japan. Mr. Dulles said that the U.S. believed that these were not historically a part of the Kurile Islands but that we felt it better to leave the issue of what was a correct definition of the Kurile Islands to subsequent arbitration or World Court decision rather than to precipitate the issue in the Japanese peace treaty itself, particularly since the Russians were already in occupation of the Habomai Islands. At this point the French produced a copy of the British map and after scrutiny of it there seemed to be acquiescence in the U.S. point of view.

M. Baeyens brought up the question of two small partly submerged islands to the East of Hainan. One, he said, was now occupied by 50 Chinese Communists and the other by 20 Vietnamese. He asked that Japan should renounce any claim it might have to these islands. Mr. Dulles said he was not familiar with this territorial problem and asked that a note on the subject be given him.¹¹

3) *Security.* M. Chauvel raised the question of whether Article 7 was necessary. Mr. Dulles stated that he considered that at least the first part of it was necessary because Article 51 of the Charter referred only to members of the U.N. Japan might not be a member, and unless there was reference to the right of self-defense, it might seem to be taken away by Article 6, requiring Japan to refrain from use of force. The British lawyers felt that Article 51 was an essential counterpart to Article 2 of the Charter. M. Chauvel suggested that it might be

¹⁰ Included with the British draft of April 7, not printed. (Lot 54 D 423)

¹¹ Not found in Department of State files.

useful in Article 7 of the treaty to refer to the Charter article in question, namely, Article 51. Mr. Dulles stated that the U.S. was considering the elimination of all of Article 7 after the word "arrangements" as unnecessary and possibly subject to misconceptions such as India had expressed.

At this point there ensued a considerable discussion about the implementation of Japanese security through a bilateral pact. Mr. Dulles described the relationship of mutual security sought with Japan under which presumably the military power would be so apportioned that Japan could not itself be an offensive military threat and the relationship between the victor and vanquished would be so intimate and integrated as to make incredible a war of revenge. He stated that the U.S. hoped that eventually this bilateral security pact with Japan could be merged into a Pacific security pact of larger import. He described what President Truman had referred to as "initial steps" for Pacific security as between the U.S. and Japan; the U.S. and the Philippines; and the U.S., Australia and New Zealand. He reported the U.K. opposition to a geographical pact at this time as exposing the mainland areas to greater danger. He said, however, that the triangular pact of the U.S., Australia and New Zealand would probably provide for consultation with other states in a position to further peace in the Pacific area. In this connection M. Parodi mentioned that of course France had interests in this area, as New Caledonia and other islands.

M. Parodi said that it would be helpful if at an appropriate time the U.S. would make an official statement regarding the proposed bilateral pact with Japan, as otherwise the French would not have official knowledge concerning it. They also asked to be informed regarding the terms of the tripartite pact. Mr. Dulles said he saw no difficulties with reference to these two requests.

At this point the meeting adjourned for lunch and resumed at 3 p. m.

4) *Associated States*. M. Parodi raised the question of participation of the three Associated States of Indochina. Mr. Dulles stated that he did not think the U.S. would be opposed in principle to such participation provided it did not constitute a precedent and commit the U.S. to treating these States as in all respects sovereign for other purposes, for example, membership in the U.N., as to which matter Mr. Dulles did not know what U.S. policy would be. Mr. Dulles stated however that he anticipated that some of the other prospective co-signers, such as India, Burma and Indonesia, might object to signing with the three Associated States as sovereign, particularly as there was a rival government of Viet Minh recognized by the Soviet bloc. He said that if this created serious difficulties it might be necessary for these States to participate through subsequent identical bilateral pacts with Japan. M. Parodi reiterated that it was very important for France to secure recognition of the independent sovereign status of these States.

5) *Economic*. M. Chauvel stated that France would prefer it if Japan were required for a period to give most-favored-nation treatment to the Allied Powers without regard to whether or not there was reciprocity. Mr. Dulles stated that the U.S. would find it very difficult to accept this point of view and that the U.K. was disposed to accept the present text but wished the time enlarged from three to five years. M. Charpentier said that in any event it would be prefer-

able to rearrange the language of Article 13 and he promised to prepare a note on this subject.¹²

The French Delegation also raised the question of the Congo basin treaty. Mr. Dulles said this was being very actively discussed in London, that the U.S. was very reluctant to do more than have a clause similar to Article 42 of the Italian treaty, but that probably if everything else was agreed to, there would not be final breach on this particular point.

6) *Official Language*. M. Chauvel said that the French felt that one of the official texts of the treaty should be French. M. Naggia said that English and French were the two official working languages of the U.N. Mr. Dulles said that Spanish was now also an official working language. It was then asked whether there would be Spanish-speaking countries parties to the treaty and Mr. Dulles stated that we hoped there would be many South American countries. M. Chauvel said there would be no objection to three or four official texts, English, French and Spanish, and perhaps Japanese.

It was then decided to issue a brief communiqué to read as follows:

"Mr. Foster Dulles, Special Representative of President Truman, has had with the experts of the Ministry of Foreign Affairs an examination of the draft treaty of peace with Japan.

"The particular concerns of the French Government were presented to the Representative of the American Government. It seemed that there was no difference of views between the two countries on the questions of principle taken as whole which are involved in the preparation of this treaty. Mr. Dulles gave explanations on a certain number of points of particular interest to France, and contacts will be maintained between Paris and Washington with a view to clarifying definitively the problems which are still pending."

¹² For information on subsequent negotiations on this matter between France and the United States, see the editorial note, p. 1220.

694.001/6-1251 : Telegram

The Chargé in the Philippines (Harrington) to the Secretary of State

SECRET

MANILA, June 12, 1951—6 p. m.

3999. Embtel 3903, June 6.¹ Have just seen in strict confidence draft of letter Romulo proposes send Amb Dulles. Principal points are:

(1) Security safeguards against outflow of Commie forces from continental Asia and against repetition of aggression on Phils by remilitarized Jap, and

(2) Jap shld meet in reasonable manner requirements of Phils for reparations.

With respect security, draft letter recommends placing Formosa and Pescadores under UN trusteeship as basis interim solution for agreement as to which particular govt or people shld succeed to rights,

¹ Not printed.

titles and claims of Jap over Formosa. Ltr suggests UN need not now disturb present admin of Nationalist Chi over Formosa and Pescadores and stresses that Phil Govt views with grave concern any arrangement under which these islands might pass into unfriendly hands.

Also with respect to security, draft ltr elaborates on recommendation for UN supervision of Jap educational system for twenty years. A final point on security is developed in belief Jap shld accept right of UN to intervene for preservation and maintenance of supremacy of civil over mil authorities in govt of Jap for enforcement of any obligations of Jap under treaty, such right of intervention to last for twenty years from date effectivity of treaty. As precedent for right of intervention in affairs of another country, draft ltr refers to treaty between the US and Cuba and the Phil independence law establishing commonwealth.

Draft ltr lists reparations claims totaling \$8,079,624,000 divided as fols:

- (a) Physical damages \$807,411,000:
- (b) Loss of human lives \$1,667,892,000, and
- (c) Commandeered goods and services \$5,514,321,000.

After statement of basis of arriving at foregoing figure, draft ltr suggests Phil Govt might reduce total claim to \$6,527,260,500. Then fols discussion of reparations achievements and failures fol World War One.

Draft ltr urges language in peace treaty which wld make Phils sole exception to gen waiver claims for war damage and proposes creation of Reparations Comm consisting of one rep each from the US, the Phils and Jap with full powers to determine amt of reparations to be paid by Jap to Phils over period 25 years. Comm wld determine sources of payment of war reparations and to extent that comm might find that the reparations due from Jap are not within capacity of Jap to pay within period of 25 years, Phils wld waive unpaid balance. Annual payments wld not be fixed amt but amt that might be obtained from sources fixed and determined by Reparations Comm in form of percentages or taxes on various govt or natl incomes such as govt surplus, receipts from govt enterprises, excise taxes, income taxes, gross earnings of financial institutions, gross receipts on public utilities, tax on urban real estate property and share in profits of Jap exports to Phils, the raw materials of which come from Phils.²

² In the course of telegram 183, to Manila, July 16, not printed, the Department stated that Minister Romulo's letter, dated June 15, was received June 20. (694.001/7-1351) No copy of the Romulo letter has been found in Department of State files, but comment upon it in various documents in file 694.001 for 1951 indicates that the draft outlined here by Mr. Harrington was similar to the letter as sent.

A memo on Jap capacity to pay reparations has been prepared, contents of which are not known, but Phil Govt apparently is considering sending small technical body to Jap to gather additional info on this aspect of problem. Ltr makes point that US more concerned about welfare of Jap, still an enemy country, than she is of welfare of her ally, Phils, and adds that Phil Govt will give serious consideration to any study tending to prove Jap's inability pay adequate reparations to Phil's.

Since Romulo presently sick in hotel suite finalization of draft letter may be delayed few days. Emb believes Phil proposals in present form mainly designed satisfy domestic political considerations and that Romulo expects he will be forced recede substantially during course of negots.

HARRINGTON

Editorial Note

In his general summary of the negotiations which led to the peace treaty, Mr. Fearey wrote in part as follows:

"On June 12 Mr. Dulles was advised in Paris that the British Cabinet had decided to accept the Chinese representation formula agreed between himself and Mr. Morrison. With this major hurdle cleared, agreement was quickly reached following Mr. Dulles' return to London the next day on a number of other outstanding issues. The United Kingdom agreed not to press its proposal for the distribution of Japanese owned gold as reparations, while the United States agreed that Japanese assets in neutral and ex-enemy countries should be turned over to the International Committee of the Red Cross to distribute for the benefit of members of the armed forces who had suffered undue hardships while prisoners of war of Japan. Explanations by the United Kingdom representatives, further consideration by the United States representatives, and certain assurances received from the Board of Directors of the Bank for International Settlements enabled the United States to withdraw the objections which it had previously maintained to a United Kingdom proposal that the treaty require Japan to give up its rights under the Congo Basin Treaties and to withdraw from the Bank for International Settlements.

"On June 14, the date of Mr. Dulles' departure for the United States, a revision of the May 3 draft was prepared embodying the understandings reached, including a number of further technical amendments worked out by United States and United Kingdom experts during Mr. Dulles' stay. The June 14 draft represented full agreement on treaty terms, subject to confirmation by the two Governments, on all but four points: the British Government still reserved a proposal, advanced primarily on behalf of certain of the Commonwealth Governments, for an additional provision in the fisheries article to cover the period prior to the conclusion of the contemplated bilateral fishing agreements; the United Kingdom still reserved a proposal that Japan not be permitted to include measures in respect to

shipping and navigation among the measures it might take to safeguard its external financial position or balance of payments without derogating from the grant of national or most-favored-nation treatment; and both the British and United States positions were reserved on the question of the inclusion of certain assets in Thailand in the above-mentioned fund for the benefit of former prisoners of war. Finally, the United Kingdom was unwilling to commit itself to the acceptability of the legislation then being drawn up by the Japanese Government in consultation with United States experts to provide compensation for war damage to Allied property in Japan, until it had had further opportunity to examine that legislation." (Robert A. Fearey, "Summary of Negotiations Leading Up To the Conclusion of the Treaty of Peace With Japan," September 18, 694.001/9-1851. The June 14 draft is *infra*.)

Text of the joint United Kingdom-United States press release issued in London June 14 is printed in the *New York Times* of June 15.

Mr. Acheson and Mr. Dulles met with the President on June 15. No confidential record of this conversation has been found in Department of State files. A copy of the White House press release regarding this discussion, issued June 15, is in file 694.001/6-1551.

694.001/6-1451

*Revised United States-United Kingdom Draft of a Japanese
Peace Treaty*

SECRET

[LONDON?,] June 14, 1951.

PREAMBLE

Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them and will enable Japan to carry out its intention to apply for membership in the United Nations Organization and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realise the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Whereas the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

The Allied Powers and Japan have therefore agreed to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries, who, after presentation of their full powers, found in good and due form, have agreed on the following provisions.

CHAPTER I

PEACE

Article 1

The state of war between Japan and each of the Allied Powers is hereby terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned.

CHAPTER II

TERRITORY

Article 2

(a) Japan, recognizing the independence of Korea, renounces all right, title and claim to Korea, including the islands of Quelpart, Port Hamilton and Dagelet.

(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

(c) Japan renounces all right, title and claim to the Kurile Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of September 5, 1905.¹

(d) Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of April 2, 1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan.

(e) Japan renounces all claim to any right or title to or interest in connection with any part of the Antarctic area, whether deriving from the activities of Japanese nationals or otherwise.

(f) Japan renounces all right, title and claim to Spratly Island and the Paracel Islands.

Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the administering authority, the Ryukyu Islands south of 29° north latitude, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vela and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of adminis-

¹ For text, see *Foreign Relations*, 1905, pp. 824-828.

tration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.

Article 4

(a) The disposition of property and claims, including debts, of Japan and its nationals in or against the authorities presently administering the areas referred to in Articles 2 and 3 and the residents (including juridical persons) thereof, and of such authorities and residents against Japan and its nationals, shall be the subject of special arrangements between Japan and such authorities. The property of any of the Allied Powers or its nationals in the areas referred to in Articles 2 and 3 shall, insofar as this has not already been done, be returned in the condition in which it now exists. (The term nationals whenever used in the present Treaty includes juridical persons).

(b) Japanese owned submarine cables connecting Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan retaining the Japanese terminal and adjoining half of the cable, and the detached territory the remainder of the cable and connecting terminal facilities.

CHAPTER II

SECURITY

Article 5

(a) Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular the obligations

(i) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(ii) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the Purposes of the United Nations;

(iii) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any state against which the United Nations may take preventive or enforcement action.

(b) The Allied Powers confirm that they will be guided by the principles of Article 2 of the Charter of the United Nations in their relations with Japan.

(c) The Allied Powers for their part recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.

Article 6

(a) All armed forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter. Nothing in this provision shall however prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bilateral or multilateral agreements which have been or may be made between one or more of the Allied Powers, on the one hand, and Japan on the other.

(b) All Japanese property for which compensation has not already been paid, which was supplied for the use of the occupation forces and which remains in the possession of those forces at the time of the coming into force of the present Treaty, shall be returned to the Japanese Government within the same 90 days unless other arrangements are made by mutual agreement.

CHAPTER IV

POLITICAL AND ECONOMIC CLAUSES

Article 7

(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its prewar bilateral treaties with Japan it wishes to keep in force or revive, and any treaties so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty. The treaties so notified shall resume their force three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties as to which Japan is not so notified shall be regarded as abrogated.

(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty any territory for the international relations of which the notifying Power is responsible, until three months after the date on which notice is given to Japan that such exception shall cease to apply.

Article 8

(a) Japan will recognize the full force of all treaties now or hereafter concluded for terminating the state of war initiated on September 1st, 1939, as well as any other arrangements for or in connection with the restoration of peace. Japan also accepts the arrangements made for terminating the former League of Nations and Permanent Court of International Justice.

(b) Japan renounces all such rights and interests as she may derive from being a signatory power of the Convention of St. Germain-en-Laye of September 10, 1919, and the Straits Agreement of Montreux of July 20th, 1936, and from Article 16 of the Treaty of Lausanne of July 24th, 1923.

(c) Japan renounces all rights, title and interests acquired under, and is discharged from all obligations resulting from, the Agreement between Germany and the Creditor Powers of January 20, 1930, and its Annexes, including the Trust Agreement, dated May 17, 1930, the Convention of January 20, 1930, respecting the Bank for International Settlements, and the Statutes of the Bank for International Settlements. Japan will notify to the Ministry of Foreign Affairs in Paris within six months of the coming into force of the present Treaty her renunciation of the rights, title and interests referred to in this paragraph.

Article 9

Japan will enter promptly into negotiations with the Allied Powers so desiring for the conclusion of bilateral and multilateral agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas.

(Note: The United Kingdom proposed an additional paragraph to cover the interim period which is under consideration.)

Article 10

Japan renounces all special rights and interests in China, including all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901, and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect to Japan of the said protocol, annexes, notes and documents.

Article 11

Japan accepts the judgments of the International Military Tribunal for the Far East and of other Allied War Crimes Courts both within and outside Japan, and will carry out the sentences imposed thereby upon Japanese nationals imprisoned in Japan. The power to grant clemency, reduce sentences and parole with respect to such prisoners may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on the recommendation of Japan. In the case of persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

Article 12

(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place their trading, maritime and other commercial relations on a stable and friendly basis.

(b) Pending the conclusion of the relevant treaty or agreement, Japan will, during a period of four years from the coming into force of the present Treaty:—

(1) accord to each of the Allied Powers, its nationals, products and vessels

(i) most-favoured-nation treatment with respect to customs duties, charges, restrictions and other regulations on or in connection with the importation and exportation of goods;

(ii) national treatment with respect to shipping, navigation and imports, and with respect to natural and juridical persons and their interests—such treatment to include all matters pertaining to the levying and collection of taxes, access to the courts, the making and performance of contracts, rights to property, participation in juridical entities constituted under Japanese law, and generally the conduct of all kinds of business and professional activities;

(2) ensure that external purchases and sales of Japanese state trading enterprises shall be based solely on commercial considerations.

(c) In respect to any matter, however, Japan shall be obliged to accord to an Allied Power national treatment, or most-favoured-nation treatment, only to the extent that the Allied Power concerned accords Japan national treatment or most-favoured-nation treatment, as the case may be, in respect of the same matter. The reciprocity envisaged in the foregoing sentence shall be determined, in the case of products, vessels and juridical entities of, and persons domiciled in, any non-metropolitan territory of an Allied Power, and in the case of juridical entities of, and persons domiciled in, any state or province of an Allied Power having a federal government, by reference to the treatment accorded to Japan in such territory, state or province.

(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most-favoured-nation treatment, as the case may be, if such measure is based on an exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party's external financial position, balance of payments or essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

(e) Japan's obligations under paragraph (b) of this Article shall not be affected by the exercise of any Allied rights under Article 14

of the present Treaty; nor shall the provisions of that paragraph be understood as limiting the undertakings assumed by Japan by virtue of Article 15 of the Treaty.

[Note: The United Kingdom have made proposals for a separate Article on shipping which are under consideration.] ²

Article 13

(a) Japan will enter into negotiations with any of the Allied Powers, promptly upon the request of such Power or Powers, for the conclusion of bilateral or multilateral agreements relating to international civil air transport.

(b) Pending the conclusion of such agreement or agreements with an Allied Power, Japan will, during a period of four years, extend to such Power treatment not less favourable with respect to air-traffic rights and privileges than those exercised by any such Powers at the time of coming into force of the present Treaty, and will accord complete equality of opportunity in respect to the operation and development of air services.

(c) Pending its becoming a party to the Convention on International Civil Aviation in accordance with Article 93 thereof, Japan will give effect to the provisions of that Convention applicable to the international navigation of aircraft, and give effect to the standards, practices and procedures adopted as annexes to the Convention in accordance with the terms of the Convention.

CHAPTER V

CLAIMS AND PROPERTY

Article 14

(a) The Allied Powers recognize that, although Japan should in principle pay reparation for the damage and suffering caused by it during the war, nevertheless Japan lacks the capacity, if it is to maintain a viable economy, to make adequate reparation to the Allied Powers and at the same time meet its other obligations.

However,

1. Japan will promptly enter into negotiations with Allied Powers, so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the skills and industry of the Japanese people in manufacturing, salvaging and other services to be rendered to the Allied Powers in question. Such arrangements shall avoid interference with the economic reconstruction of Japan and the imposition of additional liabilities on other Allied Powers, and, where the manufacturing of raw

² Brackets are in the source text.

materials is called for, they shall be supplied by the Allied Powers in question, so as not to throw any foreign exchange burden upon Japan.

2. (I) Each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of

- (a) Japan and of Japanese nationals
- (b) persons acting for or on behalf of Japan or Japanese nationals, and
- (c) entities owned or controlled by Japan or Japanese nationals

which at any time between December 7, 1941, (in respect of China the date shall be July 7, 1937), and the coming into force of the present Treaty, were subject to its jurisdiction, except:

(i) property of Japanese nationals who during the war resided with the permission of the Government concerned in the territory of one of the Allied Powers, other than territory occupied by Japan, except property subjected during that period to measures not generally applied by the Government of the territory where the property was situated to the property of other Japanese nationals resident in such territory;

(ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other private property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;

(iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(iv) property rights arising after the resumption of trade and financial relations between the country concerned and Japan before the coming into force of the present Treaty, except in the case of any rights resulting from transactions contrary to the laws of the Allied Power concerned;

(v) obligations of Japan or Japanese nationals, any right, title or interest in tangible property located in Japan, interests in enterprises organized under the laws of Japan, or any paper evidence thereof; provided that this exception shall only apply to obligations of Japan and its nationals expressed in Japanese currency.

(II) Property referred to in exceptions (i) to (v) above shall be returned subject to reasonable expenses for its preservation and administration. If any such property has been liquidated the proceeds shall be returned instead.

(III) The right to seize, retain, liquidate or otherwise dispose of Japanese property referred to above shall be exercised in accordance with the laws of the Allied Powers concerned, and the Japanese owner shall have only such rights as may be given him by those laws.

(IV) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favourable to Japan as circumstances ruling in each country will permit.

(b) Except as otherwise provided in the present Treaty, the Allied Powers waive all reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war, and claims of the Allied Powers for direct military costs of occupation.

Article 15

(a) Upon application made within nine months of the coming into force of the present Treaty Japan will, within six months of the date of such application, return the property, tangible and intangible, and all rights or interests of any kind in Japan of each Allied Power and its nationals which was within Japan at any time between December 7, 1941, and September 2, 1945, unless the owner has freely disposed thereof without duress or fraud. Such property shall be returned free of all encumbrances and charges to which it may have become subject because of the war, and without any charges for its return. Property whose return is not applied for by the owner within the prescribed period may be disposed of by the Japanese Government as it may determine. In cases where such property cannot be returned, or has suffered injury or damage, compensation will be made in accordance with Law No. _____ enacted by the Japanese Diet on _____ 1951.

(b) With respect to industrial property rights impaired during the war, Japan will continue to accord to the Allied Powers and their nationals benefits no less than those heretofore accorded by Cabinet Orders No. 309 effective September 1, 1949, No. 12 effective January 28, 1950, and No. 9 effective February 1, 1950, all as now amended, provided such nationals have applied for such benefits within the time limits prescribed therein.

(c) (i) Japan acknowledges that the literary and artistic property rights which existed in Japan on the 6th December, 1941, in respect to the published and unpublished works of the Allied Powers and their nationals have continued in force since that date, and recognizes those rights which have arisen, or but for the war would have arisen, in Japan since that date, by the operation of any conventions and agreements to which Japan was a party on that date, irrespective of whether or not such conventions or agreements were abrogated or suspended upon or since the outbreak of war by the domestic law of Japan or of the Allied Power concerned.

(ii) Without the need for application by the proprietor of the right and without the payment of any fee or compliance with any other formality, the period from the 7th December, 1941, until the coming into force of the present Treaty, shall be excluded from the running of

the normal term of such rights; and such period, with an additional period of 6 months, shall be excluded from the time within which a literary work must be translated into Japanese in order to obtain translating rights in Japan.

(Note: Paragraph (a) of this Article is dependent upon the acceptability of the legislation to be passed by Japan. Paragraph (b) assumes that an extension of time until September 30th, 1951, can be obtained for filing applications under the Cabinet Orders concerned.)

Article 16

As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals in countries which were neutral during the war, or which were at war with any of the Allied Powers, to the International Red Cross which shall liquidate such assets and distribute the resultant fund for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable.

[Note: The status of Japanese assets in Thailand is subject to further consideration.]³

Article 17

(a) Upon the request of any of the Allied Powers, the Japanese Government shall review and revise in conformity with international law any decision or order of the Japanese Prize Courts in cases involving ownership rights of nationals of that Allied Power and shall supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued. In any case in which such review or revision shows that restoration is due, the provisions of Article 15 shall apply to the property concerned.

(b) The Japanese Government shall take the necessary measures to enable nationals of any of the Allied Powers at any time within one year from the coming into force of the present Treaty to submit to the appropriate Japanese authorities for review any judgment given by a Japanese court between 7th December, 1941, and the coming into force of the present Treaty in any proceedings in which any such national was unable to make adequate presentation of his case either as plaintiff or defendant. The Japanese Government shall provide that, where the national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances.

³ Brackets are in the source text.

Article 18

(a) It is recognized that the intervention of the state of war has not affected the obligation to pay pecuniary debts arising out of obligations and contracts (including those in respect of bonds) which existed and rights which were acquired before the existence of a state of war, and which are due by the Government or nationals of Japan to the Government or nationals of one of the Allied Powers, or are due by the Government or nationals of one of the Allied Powers to the Government or nationals of Japan. The intervention of a state of war shall equally not be regarded as affecting the obligation to consider on their merits claims for loss or damage to property or for personal injury or death which arose before the existence of a state of war, and which may be presented or re-presented by the Government of one of the Allied Powers to the Government of Japan, or by the Government of Japan to any of the Governments of the Allied Powers. The provisions of this paragraph are without prejudice to the rights conferred by Article 14.

(b) Japan affirms its liability for the prewar external debt of the Japanese State and for debts of corporate bodies subsequently declared to be liabilities of the Japanese State, and expresses its intention to enter on negotiations at an early date with its creditors with respect to the resumption of payments on those debts: will facilitate negotiations in respect to private prewar claims and obligations; and will facilitate the transfer of sums accordingly.

Article 19

(a) Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

(b) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between 1st September, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising in respect to Japanese prisoners of war and civilian internees in the hands of the Allied Powers.

(c) Subject to reciprocal renunciation, the Japanese Government also renounces all claims (including debts) against Germany and German nationals on behalf of the Japanese Government and Japanese nationals, including intergovernmental claims and claims for loss or damage sustained during the war, but excepting (a) claims in respect

of contracts entered into and rights acquired before the 1st September, 1939, and (b) claims arising out of trade and financial relations between Japan and Germany after the 2nd September, 1945.

Article 20

Japan will take all necessary measures to ensure such disposition of German assets in Japan as has been or may be determined by those powers entitled under the Protocol of the proceedings of the Berlin Conference of 1945 to dispose of those assets, and pending the final disposition of such assets will be responsible for the conservation and administration thereof.

Article 21

Notwithstanding the provisions of Article 25 of the present Treaty, China shall be entitled to the benefits of Articles 10 and 14; and Korea to the benefits of Articles 2, 9 and 12 of the present Treaty.

CHAPTER VI

SETTLEMENT OF DISPUTES

Article 22

If in the opinion of any Party to the present Treaty there has arisen a dispute concerning the interpretation or execution of the Treaty, which is not settled by other agreed means, the dispute shall, at the request of any party thereto, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated 15th October, 1946, a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect to all disputes of the character referred to in this Article.

CHAPTER VII

FINAL CLAUSES

Article 23

(a) The present Treaty shall be ratified by the States which sign it, including Japan, and will come into force for all the States which have then ratified it, when instruments of ratification have been deposited by Japan and by a majority, including the United States of America as the principal occupying Power, of the following States, (here would appear the names of such of the following States as are signatories to the present Treaty) namely Australia, Burma, Canada, Ceylon, France, India, Indonesia, the Netherlands, New Zealand,

Pakistan, the Philippines, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, and the United States of America. It shall come into force for each State which subsequently ratifies it, on the date of the deposit of its instrument of ratification.

(b) If the Treaty has not come into force within nine months after the date of the deposit of Japan's ratification, any State which has ratified it may bring the Treaty into force between itself and Japan by a notification to that effect given to the Governments of Japan and of the United States of America not later than three years after the date of deposit of Japan's ratification.

Article 24

All instruments of ratification shall be deposited with the Government of the United States of America which will notify all the signatory States of such deposit and of any notifications made under paragraph (b) of Article 23 of the present Treaty.

Article 25

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan which have signed and ratified it. Subject to the provisions of Article 21, the present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined; nor shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the Treaty in favour of a State which is not an Allied Power as so defined.

Article 26

Japan will be prepared to conclude with any State which signed or adhered to the United Nations Declaration of 1st January, 1942, and which is at war with Japan, which is not a signatory of the present Treaty, a bilateral Treaty of Peace on the same or substantially the same terms as are provided for in the present Treaty, but this obligation on the part of Japan will expire three years after the coming into force of the present Treaty. Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty.

Article 27

The present Treaty shall be deposited in the archives of the Government of the United States of America which shall furnish each signatory State with a certified copy thereof and notify each such State of the date of the coming into force of the Treaty under paragraph (a) of Article 23 of the present Treaty.

In faith whereof the undersigned plenipotentiaries have signed the present Treaty.

Done at _____ this _____ day of _____ 1951, in the English, French, Russian and Spanish languages, all being equally authentic, and in the Japanese language.

DECLARATION

With respect to the Treaty of Peace signed this day, the Government of Japan makes the following Declaration:

1. Except as otherwise provided in the said Treaty of Peace, Japan recognizes the full force of all presently effective multilateral international instruments to which Japan was a party on 1st September, 1939, and declares that it will, on the coming into force of the said Treaty, resume all its rights and obligations under those instruments. Where, however, participation in any instrument involves membership in an international organization of which Japan ceased to be a member on or after 1st September, 1939, the provisions of the present paragraph shall be dependent on Japan's readmission to membership in the organization concerned.

2. It is the intention of the Japanese Government formally to accede to the following international instruments within six months of the coming into force of the Treaty of Peace:

(1) Protocol opened for signature at Lake Success on 11th December, 1946 amending the agreements, conventions, and protocols on narcotic drugs of 23rd January, 1912, 11th February, 1925, 19th February, 1925, 13th July, 1931, 27th November, 1931, and 26th June, 1936;

(2) Protocol opened for signature at Paris on 19th November, 1948 bringing under international control drugs outside the scope of the convention of 13th July, 1931 for limiting the manufacture and regulating the distribution of narcotic drugs, as amended by the protocol signed at Lake Success on 11th December, 1946;

(3) International Convention on the Execution of Foreign Arbitral Awards signed at Geneva on 26th September, 1927.

(4) International Convention relating to Economic Statistics with Protocol signed at Geneva on 14th December, 1928 and Protocol amending the International Convention of 1928 relating to Economic Statistics signed at Paris on 9th December, 1948.

(5) International Convention relating to the simplification of Customs Formalities, with Protocol of signature, signed at Geneva on 3rd November, 1923.

(6) Agreement for the prevention of false indications of origin of goods signed at London on 2nd June, 1934;

(7) Convention for the unification of certain rules relating to international transportation by air, and additional protocol, signed at Warsaw on 12th October, 1929;

(8) Convention on safety of life at sea opened for signature at London 19th June, 1948;

(9) Geneva conventions of 12th August, 1949 for the protection of war victims.

3. It is equally the intention of the Japanese Government, within six months of the coming into force of the Treaty of Peace, to apply for Japan's admission to participation in the Convention on International Civil Aviation opened for signature at Chicago on the 7th December, 1944, and as soon as Japan is itself a party to that Convention, to accept the International Air Services Transit Agreement also opened for signature at Chicago on 7th December, 1944.

DECLARATION

With respect to the Treaty of Peace signed this day, the Government of Japan makes the following Declaration :

Japan will recognize any Commission, Delegation or other Organization authorized by any of the Allied and Associated Powers to identify, list, maintain or regulate its war graves, cemeteries and memorials in Japanese territory; will facilitate the work of such Organizations, and will, in respect of the above mentioned war graves, cemeteries and memorials, enter into negotiations for the conclusion of such agreements as may prove necessary with the Allied or Associated Power concerned, or with any Commission, Delegation or other Organization authorized by it.

694.001/6-1451 : Telegram

The Secretary of State to the Embassy in the Philippines

SECRET

PRIORITY

WASHINGTON, June 14, 1951—7 p. m.

3165. Joint US-UK Press release being issued in London about noon, June 14,¹ Washington time concerning agreement between Dulles and Morrison on Jap peace treaty draft. Release will make explicit this agreement subj approval by govts on both sides and neither in any way committed to draft though its main outlines are understood to be in accordance with views held by great majority. If approved by US and UK govts draft will first be discussed with powers principally concerned in war against Jap and shortly thereafter circulated to other govts at war with Jap.

Concerning reparations which is point of principal interest to Phils fol message received by Dept from Dulles: (rpt London's 6555, June 13, 9 p. m. to Dept.)²

Without making any reference to indemnity for prisoners of war you are requested at once to convey orally substance of foregoing to

¹ Text is printed in the *New York Times*, June 15, 1951.

² Not printed. In this telegram, marked "For Rusk from Dulles," the latter in London had recommended that paragraph 14 (a) 1. of Article 14, as well as Article 16, of the upcoming June 14 peace treaty draft be brought to the attention of the Government of the Philippines; texts of these sections were repeated verbatim in telegram 6555. (694.001/6-1351)

The June 14 draft is *supra*.

Romulo for his confidential info. Romulo shld understand that proposed clauses reparations are the most he can expect. He may wish therefore to make polit preparation for this fact prior receipt actual text.

ACHESON

694.001/6-1951

Draft Joint Statement of the United Kingdom and United States Governments

SECRET

CHINESE PARTICIPATION AND FORMOSA

The Governments principally concerned with the Peace Treaty with Japan are not agreed among themselves as to what persons, if any, would possess the lawful and practical authority to commit the whole Chinese nation to permanent engagements. However, that fact should not be allowed to delay the Japanese Peace settlement, the early conclusion of which is generally agreed to be important.

It is accordingly proposed to proceed without any Chinese co-signature to the presently contemplated multilateral Treaty of peace. The interest of the Chinese people would be safeguarded by provisions in the multilateral treaty designed to assure that major benefits will accrue to China even though there is no signature or ratification of that treaty on behalf of China. Thus the draft now under consideration contemplates that when the treaty comes into force all Japanese special rights and interests in China would automatically be renounced and China would have the right to deal for its own account with Japanese property.

It is understood that the contemplated procedure will not imply any alteration in the various positions concerning China taken up by the various Allied Governments which will sign the multilateral treaty and that, under international law, Japan's future attitude towards China must necessarily be for determination by Japan itself in the exercise of the sovereign and independent status contemplated by the treaty. The treaty has been framed so as not to prejudice that important principle.

By the contemplated multilateral treaty, Japan would renounce its sovereignty over Formosa and the Pescadores. The treaty itself would not determine the future of these islands.¹

[WASHINGTON,] 19th June, 1951.

¹ Another version of this document is dated "London June 14, 1951" in an unidentified handwriting. It differs from the text printed here in two places. The word "accrue" in the June 19 text replaces "enure" in that of June 14. The last

694.001/6-2151 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET

WASHINGTON, June 21, 1951—8 p. m.

1385. For Rankin from Rusk. Reurtel 1749, June 21.² For info, formula in multilateral treaty giving non-signing states at war right to similar bilateral treaty was not a formula upon which Brit insisted. On contrary it was formula which Brit Cabinet initially rejected and which they finally accepted only after Dulles had made it unmistakably clear to Attlee that US wld end negotiations rather than accept proposed Brit formula which wld in effect have given UK veto power over right of Jap to make bilateral treaty with Natl Govt. The result is in Brit generally regarded by the left-wing press as grave defeat for Brit Govt. US made this proposal because it was maximum which could be obtained for Natl Govt consistently with getting a Jap peace treaty, a result just as vital to Natl Govt as to US. With possible exception Phil which may not sign anyway on account reparations waiver there is not a single nation represented on FEC which wld be co-signer of a multilateral peace treaty with Natl Govt. This position is shared by govts which continue to recognize the Natl Govt but which are not prepared to recognize its power to bind China to a permanent treaty of peace. Without the concurrence of a majority of FEC members to Jap peace treaty the US wld probably feel it cld not safely make a treaty of its own with Jap as

sentence of the earlier version reads: "The treaty would not try to pre-judge the future of these islands, which is still to be considered." (Lot 54 D 423)

The statement was not published for the reasons set forth in telegram 1811 to Tokyo, June 25, p. 1148. The decisions regarding its use were reached in a series of telegraphic messages between Mr. Dulles and Mr. Morrison, none printed, which are in file 694.001 for June and early July, 1951.

Telegram 11 to certain American diplomatic officers, July 3, begins as follows: "Fol is text of statement agreed upon by US and UK Govts as expressing the point of view re Chi and Formosa reflected in the July 3 text of Jap Peace Treaty and procedure contemplated in relation thereto. This is sent you for your background info and guidance in case you have to discuss the point with the FonOff, but the text shld under no circumstances be communicated by you to anyone unless you shld be so instructed. [We understand, however, that this text has been confidentially communicated to FonOff through UK.]" The remainder of the telegram consists of the June 14 text of the statement on Chinese participation and Formosa. The telegram was sent to the Embassies in Australia, Burma, Canada, Ceylon, France, India, Indonesia, the Netherlands, New Zealand, Pakistan, the Philippines, and the U.S.S.R. The words in brackets were omitted from the text sent to Burma, Indonesia, the Philippines, and the U.S.S.R. (694.001/7-351)

¹ Telegram drafted by Mr. Dulles.

² In this telegram Karl Lott Rankin, Chargé in the Republic of China, had stated in part: "Unclear in Taipei why Brit insist on and we accept ostensibly neutral formula which wld favor Chi Commies (who have no intention participate present Japanese treaty) shld it prevent Chi Govt doing so despite fact it shares our earnest desire conclude early treaty. This seems raise old question 'against whom are we neutral?' " (694.001/6-2151)

this might leave FEC in position to claim right to exercise occupation controls over Jap without US participation since we wld be at peace. It is not to interest of Formosa or Natl Govt that prospective Jap peace settlement shld collapse. This wld undoubtedly greatly increase Commie strength in Jap and wld make problematic the continuing adherence of Jap to free world. We do not doubt that the actual working of our formula will both secure indispensable peace for Jap and at same time in its operation lead to even stronger position for Natl Govt than at present. If, as is generally assumed, Jap decides to recognize and resume dip relations with Natl Govt that Govt wld automatically have right to conclude bilateral peace treaty substantially identical with multilateral treaty except for certain variations in China's favor notably as to the date of beginning of war. The end result we seek and which formula makes possible is strengthening of all anti-Commie ranks in Western Pacific. [Rusk.]

ACHESON

694.001/6-2251 : Telegram

The Secretary of State to the Embassy in the Philippines

CONFIDENTIAL

NIACT

WASHINGTON, June 22, 1951—noon.

3273. For Allison.¹ Urtel 4133, June 21.² Re revised text reparations clause Dulles considers you shld stand on present draft in your discussions Phil Govt. Reparations provisions June 14 draft not yet even discussed with Japanese. If any changes are to be made these provisions they shd only be as result subsequent formal consideration. Elimination reference Japan's lack of capacity make adequate reparation while maintaining viable econ and mtg other obligations might result in impression reparation of prior or at least equal status these purposes. Safeguards estab last sentence para (a) (1) Art 14 are in int other powers as well as Jap. Considering its responsibilities re Japa-

¹ Mr. Allison arrived in Manila on June 22.

² In this telegram, Mr. Harrington had in part reported :

"In order clarify issue I asked Romulo to state position from which Phils cld not recede. He gave me fol revised wording of reparations clauses 'the allied powers recognize that the Japs shld in principle pay reparations for the damage and suffering caused by them during the war and that Jap shld agree promptly to enter into negots with allied powers so desiring whose present territories were occupied by Jap Forces and damaged by Jap with a view to assisting to compensate those countries for the cost of repairing the damage done by making available the skills and industry of the Jap people in manufacturing, salvaging and other services to be rendered to the allied powers in question.'

"I told Romulo his insistence and apparent lack of appreciation our problem very disappointing but promised transmit his views and revised text reparations clause. As Allison will be subjected to strong pressure here guidance in light of foregoing will be appreciated. Advise soonest." (694.001/6-2151)

nese econ US cld not agree omission these safeguards. opening way for reparations arrangements ultimately at our expense.³

ACHESON

³ In telegram 4165 from Manila, June 23, marked "For Dulles from Allison", the latter reported in part:

"Reason for inclusion of last sentence (a) (1) Article 14 as outlined Deptel 3273 June 22 explained. Principal Phil objection to US reparation clauses is fact that it seems to place too much emphasis Jap inability to pay. After considerable discussion Quirino and Romulo made further revision of para forwarded Embtel 4133 June 21 as fols: 'Japan recognizes that it shld pay reparation for the damage and suffering caused by it during the war and therefore agrees promptly to enter into negots with allied powers so desiring, whose present territories were occupied by Jap forces and damaged by Japanese with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the skills and industry of the Jap people in manufacturing, salvaging and other service to be rendered to the allied powers in question. Such arrangements shall avoid the imposition of additional liabilities on other allied powers'.

"I told President that cld give him no hope that this wld be satisfactory but that I wld pass it on to Wash, with his observations. Quirino made it clear that if US cld accept working along above lines he wld be able to satisfy public opinion in Phil and that Phil Govt wld then be able to go along with peace treaty." (694.001/6-2351)

Lot 60 D 330 : Northeast Asian Affairs Files

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Vice Chairman of the Munitions Board for International Programs (Van Atten)

TOP SECRET

WASHINGTON, June 22, 1951.

MY DEAR MR. VAN ATTEN: Reference is made to your letter of May 16, 1951,¹ regarding the modification of restrictions on Japan's production of military equipment for export to areas other than Korea and to conversations between Department of State, the Munitions Board, Department of Defense and Army officials on June 8, 1951.

As stated by Department of State officials in those discussions and set forth in previous correspondence between the Department of State and the Department of Defense, this Department has no political objections to the manufacture and export from Japan to any approved destination of goods which by their construction are not designed solely for military purposes, the production in Japan for use by the occupation forces or in the United Nations military operations in Korea, of any or all military goods, including combat items, and the production in Japan of permissible military items for the Japanese police. It is the view of the Department that many of the non-combat items in the quartermaster, engineer and signal category and other similar equipment and supplies may properly be considered as products "which by their construction are not designed solely for military pur-

¹ Not printed.

poses", and that such goods may therefore be produced in and exported from Japan to approved destinations. Therefore, the only question that appears to be raised by your letter under reference is that of the production in Japan and export to areas other than Korea of products which by their construction are designed solely for military purposes; that is, primarily combat items such as arms, ammunition, tanks, and other such implements of war.

From the conversations held on June 8, it is the understanding of the Department that such combat items are not yet to any degree being produced in Japan for the needs of the occupation or the United Nations military forces in Korea. It is also understood that FY 1951 requirements for the MDA Program in Southeast Asia are already committed. It would, therefore, appear that there is no immediate urgency to reach a decision on whether Japan should be permitted to produce combat items for export to areas other than Korea. Therefore, the Department suggests that a decision on this question be deferred for the time being in order not to prejudice the progress, that is being made toward the conclusion of a Japanese peace settlement which will have the result of removing the present Far Eastern Commission restrictions on Japan's production and export of such combat items.

The Department of State would be pleased to consult further with officers of the Munitions Board and the Department of Defense regarding specific interpretations of the FEC policy decision of February 12, 1948, concerning the "Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment". The Department is also prepared to consider the entire matter further upon indication from you that the practical issue is one of more immediacy than presently seems apparent.

Sincerely yours,

DEAN RUSK

102.21/6-2251

*The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Assistant Secretary of the Army (Johnson)*¹

SECRET

WASHINGTON, June 22, 1951.

DEAR MR. JOHNSON: Pursuant to our conversation of June 20, I wish to give you the latest thinking in the Department of State on the subject of General Ridgway's desire to de-purge all Japanese career officers commissioned after July 7, 1937.

The first major problem lies in the difficulty of reconciling such sweeping action with existing Far Eastern Commission decisions.² As I indicated to you yesterday, we do not look upon general compliance

¹ Letter drafted by both Mr. Rusk and U. Alexis Johnson.

² Principal apparent reference is to FEC 017/21.

with Far Eastern Commission decisions as a mere technical or formal consideration. General Ridgway's entire position as SCAP turns upon the validity of the surrender terms and the post-surrender arrangements. These arrangements and decisions engaged the policies of all of the governments who were actively at war with Japan and who, by international agreement, participate in the control machinery. We believe that undermining Far Eastern Commission decisions unduly or too quickly would in fact undermine General Ridgway's position as SCAP. Indeed, this process might continue to the point where we could not claim any real international validity for General Ridgway's position. He might find himself in the position of an American officer attempting to carry out orders from the American Government with little or no international agreement.

Having said the above, I repeat my assurance to you that we want to do everything we can to strengthen General Ridgway's hand and to make his task as easy as possible. We fully appreciate the vital importance of the National Police Reserve and sympathize with the desire on his and your part to relax some of the more stringent controls of the occupation.

As you know, as long ago as November, 1948,³ the Department urged that reserve officers whose employment would not be considered by SCAP to harm the cause of peace and security should be depurged. Our letter of May 29, 1951, to General Hamblen⁴ made it clear that we felt SCAP could exempt the majority, if not all, of the reserve officers, except senior reserve officers, from the purge and that it would be reasonable to consider as reserve officers those who might at one time have been commissioned as career officers, but who subsequently left the service and engaged in private pursuits for a substantial time before being called back into service. Our letter also made it clear that we had no objection to depurging any officers below the rank of General or Admiral on the basis of their opposition to Japanese expansionism and totalitarianism.

With respect to General Ridgway's request that he be authorized to depurge all career officers commissioned after July 7, 1937, I should like to suggest two alternatives:

a. Our first preference would be to carry out the depurge of officers commissioned after July 7, 1937, on the basis of a presumption that the bulk of the officers commissioned *after* the advent of a major war do not intend to make military service their life-time occupation, and hence are not "career officers". The use of such a presumption would not be inconsistent with a fair interpretation of the applicable FEC

³ See the attachment to the letter of May 16 from U. Alexis Johnson to Mr. Sebald, p. 1048.

⁴ From U. Alexis Johnson, not printed. (794.00/5-2951)

policy decision, so long as the presumption is made rebuttable to cover the cases of actual "career officers" commissioned after July 7, 1937. In other words, when screening individual cases, it could be presumed, in the absence of evidence to the contrary, that officers commissioned after July 7, 1937, had accepted their commissions with the intent of performing only wartime service and not making the Army their career. However, the screening procedure should provide, in some manner, for the development of any evidence to the contrary so that those officers who actually intended to make a career in the Army would continue under the purge. It could be assumed that the total of such "career officers" did not exceed the number normally being commissioned prior to July 7, 1937. Thus, for example, if prior to July 7, 1937, an average of 100 officers a year were commissioned and after July 7, 1937, 500 officers a year were commissioned, the screening procedure should result in the depurge of approximately 400 officers and the continuation under the purge of approximately 100 officers. Thus, the actual determination should be made on a case-by-case basis. Although this might involve some administrative inconvenience, it would be satisfactory from a political point of view and could be adequately supported as a reasonable application of the Far Eastern Commission decisions and should result in the depurging of the majority of officers commissioned after July 7, 1937.

It should also be noted in this connection that the presumption that officers commissioned prior to July 7, 1937, intended to make the Army a life occupation can be overcome by positive evidence to the contrary. Thus, the application of this principle should permit the depurging of a very limited number of persons commissioned prior to July 7, 1937.

b. Our second preference would be to depurge individual officers needed for service in the National Police Reserve on the basis of a finding that their record, up to the present time, indicates opposition to Japanese "expansionism and totalitarianism".⁵ In this connection, it may be useful to consider that the actual views of an officer, with reference to "expansionism and totalitarianism" may have had better chance for expression during the five years since the war than during the period of restricted individual freedom preceding and during the war. Although the pertinent Far Eastern Commission policy decision would not support the depurging of an officer who has actually had a change of heart since the surrender, as a matter of administrative handling it would be extremely difficult to distinguish such an officer from one whose real opinions were in a state of suppression during the war.

These alternatives are not necessarily mutually exclusive and may be used in combination with each other in whatever way is administratively most feasible. It should also be noted that the application of the second alternative is also not necessarily confined only to officers commissioned after July 7, 1937, but might, in SCAP's discretion, be applied to a limited number of officers commissioned prior to that date.

⁵ In telegram DA 93011 to SCAP, June 2, the Department of the Army had stated in part: "State and DA have no objection to broad interpretation of para 13 of FEC 017/21 as applied to de-purging officers on an individual basis, provided substantial case can be made that such individuals have been opponents of Japanese expansionism and totalitarianism." (794.5/6-251)

I should be glad to have a chance to talk to you further about this in an effort to find a way to meet General Ridgway's immediate requirement and at the same time maintain the basis of his position in Japan and reasonable relations with other members of the Far Eastern Commission.⁶

Sincerely yours,

DEAN RUSK

⁶ A memorandum of June 20, from Mr. Rusk to the Secretary, not printed, on which the letter above is based, sets forth the Department's reasoning in greater detail. (794.5/6-2051)

For further information on this topic, see Secretary Marshall's letter of July 13, to Mr. Acheson, p. 1194.

694.001/6-2251 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

CONFIDENTIAL

WASHINGTON, June 22, 1951—7 p. m.

Topad 1803. For Allison. Emb London has just advised "Cabinet yesterday approved revised treaty draft subj only to reservation on shipbuilding." States FonOff asking Clutton approach you on your arrival Jap re "suggested unilateral undertaking by Jap Govt voluntarily to limit shipbuilding."² References shipbuilding puzzling but will presumably be clarified by Clutton.

ACHESON

¹ Telegram drafted by Mr. Fearey and cleared by U. Alexis Johnson.

² The quotation is from telegram 6747 from London, June 22. The sentence following the section quoted above follows: "Not only Brit shipbuilders but also ship operators and seamen's unions extremely vocal on question Jap maritime competition." (694.001/6-2251)

694.001/6-2351 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

TOKYO, June 23, 1951—3 p. m.

Topad 2224. For Dulles from Sebald. Mytel 2219, June 23.¹ Here-with my preliminary comments on latest draft treaty as a whole and without reference to specific provisions which will be subj of separate tel from CINCFE to DA and Dept.

June 14 draft is, of course, in many respects entirely different document from preliminary draft handed to and agreed upon by Jap during your last visit and I, therefore, believe we must bear in mind

¹ Not printed.

that Jap thinking and concepts of treaty are largely conditioned upon language and provisions of earlier draft. While I agree that June 14 draft perhaps does not do undue violence to publicly announced concept of "treaty of reconciliation" and similar public assurances to Jap people, latest draft nevertheless appears to me to be somewhat unfriendly in tone and to some extent arbitrary in its attempt to tie up numerous loose ends which we had hoped cld be deferred for later determination. Although I do not as yet know whether Allison will be authorized hand latest draft to Jap for their study and comment, I believe it most essential that Jap thinking on proposed treaty be reoriented by preliminary preparation and careful explanation of difficulties which arose in negots with UK (both in Wash and London) and made acceptance some of latter's concepts necessary or desirable.

In light of numerous public statements both in US and Japan regarding seven basic principles upon which treaty wld be founded I anticipate considerable shock on part Jap Govt and people when latest draft becomes known. While it is entirely possible that Jap Govt at some subsequent date can successfully prepare Jap public opinion for what is to follow, one of intangible difficulties which will probably arise is question of govt's ability ward off opposition attacks in light of previous implications only really onerous provisions related to territory. There is also possibility resultant dissatisfaction with treaty will primarily be directed against UK (and secondarily against US) especially as previous draft published in Japan will form basis of comparison and clearly indicate where and how US gave way in consequence assumed Brit pressure. Widespread criticism against our principal ally wld not, it appears to me, be in interest of healthy atmosphere for wholehearted acceptance and implementation treaty by Jap and it therefore behooves us, in our subsequent negots with Jap, to convince them that present draft is minimum acceptable within realms of practicality and that govt must do best possible assuage criticisms, withstand opposition, and strongly support signing and ratification treaty earliest possible date.

I hope that line can be held from here on out and that no further onerous or quasi-punitive provisions will be written into treaty in consequence pressure from other govts which appear to be committed to some such provisions for real or fancied reasons.

Notwithstanding above, I feel you are to be congratulated on completion most difficult portion of thorny road leading toward peace and sound future Amer-Jap relations.

Above are solely my own views and to be evaluated as such.

SEBALD

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by the Third Secretary of the Mission
in Japan (Finn)*

SECRET

[Tokyo,] June 25, 1951.

Subject: Japanese Peace Treaty

Participants: Ambassador W. J. Sebald
Minister John M. Allison ¹
Mr. Sadao Iguchi, Vice-Minister
Mr. Kumao Nishimura, Chief of Treaty Bureau
Mr. Richard B. Finn

1. Mr. Allison stated that he desired to inform the Japanese of the progress of recent treaty negotiations and of the problems and attitudes encountered, particularly during the recent conference in London. The Japanese had been apprised earlier of the general contents of the UK draft and in May working groups from the U.S. and the UK reached agreement on a new revision; several concessions were obtained at that time from the UK—elimination of clauses regarding war guilt, prohibition of nationalistic societies, and protection of Japanese who assisted the Occupation, as well as reduction of the time period in which Japan would be required to extend most favored nation treatment to the Allied Powers, and surrender of the UK claim to the Japanese “gold pot”, the last with the understanding that if necessary the United States would issue a statement to the effect that the United States had already paid much more than this amount for the rehabilitation of Japan and that if anyone should get this gold it was the United States.

2. Mr. Allison commented on the strong feeling in the UK and Australia that prisoners of war should be compensated, adding that the desire of the Philippines for large war indemnities was well known. To illustrate the attitude of both the UK and the Philippines Mr. Allison handed Mr. Iguchi several newspapers and a Hansard report. The problem of relief for Allied prisoners had been under study for some time: it was felt that some means should be found whereby Japan could gain the good-will of countries it would be trading with and at the same time a further expenditure of money would not be required. The solution was devised that Japanese assets in neutral countries and in countries at war with Japan, which the U.S. had earlier desired to return to Japan, might be turned over to the International Red Cross for Allied prisoners of war and their families. Ambassador Sebald noted that the Soviet Union was one of the co-trustees of these assets in neutral countries and that this fact would make return of these assets to Japan more difficult.

¹ Mr. Allison had arrived in Tokyo June 24.

3. Regarding security provisions, Mr. Allison noted that Japan's power to enter into collective security arrangements was no longer limited by Article 5 to arrangements participated in by one or more of the Allied Powers. This change was the result of an Indian suggestion.² It was felt that Japan as a sovereign state should be free to make collective security arrangements as it wished and that in fact Japan would desire such arrangements only with the Allied Powers.

4. The UK had also raised questions regarding Japan's shipbuilding and fishing. The UK desired a limitation on Japan's shipbuilding capacity, and if such a provision were not formally incorporated into the treaty wanted to discuss with the Japanese the desirability of transfer by Japan of its excess capacity. It was agreed at London that no provision would be made in the treaty limiting Japan's shipbuilding but that Mr. Allison would discuss with the Japanese Government the question of shipbuilding capacity. The UK also desired an explicit undertaking by Japan that the assurances regarding fisheries made in Prime Minister Yoshida's letter of February 17, 1951 to Mr. Dulles would be of general application to the Allied Powers and not to the United States alone. Mr. Allison suggested that the Japanese Government might consider issuing such a statement.

5. Mr. Allison raised two other points:

(1) The UK believed that Japan should renounce its rights connected with a Bank for International Settlements, including its shares in the Bank, primarily for the reason that the Bank is an agency for European nations. The U.S. objected to forfeiture by Japan of its BIS shares until written agreement was obtained from the directors of BIS to purchase Japan's shares. The U.S. then concurred and it was agreed that although no specific provision was necessary in the peace treaty Japan should sell its shares to the directors, perhaps after the signing of the treaty and prior to its coming into effect. Mr. Allison noted that present quotations of BIS share value would indicate a favorable opportunity for sale. The question of whether or not the proceeds from such a sale might be vested as a Japanese asset in neutral countries was raised by Mr. Nishimura and Mr. Allison indicated that the intention was that these proceeds should be made available for Japan; it was agreed that this point should be clarified.

(2) The UK insisted that Japan should be required to renounce its rights arising under the Congo Basin Convention of 1919, and the U.S. finally gave in on this point to insure that other more serious concessions would not be necessary. By renouncing these rights, Japan will lose its preferred position in Congo Basin trade but will not be excluded from such trade. The U.S. as a party to this convention can insure that Japan is not excluded. Mr. Allison observed that this

² See the section under Article 6 of the June 1 Working Draft and Commentary, p. 1064.

provision is the only real concession made to the UK in the latest draft.

6. Regarding Chinese participation, Mr. Allison said that he expects a U.S.-UK statement to be made shortly. The UK first suggested that the issue be referred to the Far Eastern Commission but the U.S. opposed this on the ground that FEC control might thereby be perpetuated. Mr. Allison noted that FEC nations are evenly split on the issue of Chinese recognition and that 4 of the nations recognizing Nationalist China have stated their opposition to signing of the Japanese peace treaty by Nationalist China. It was finally agreed that China should not be made signatory to the present treaty and that Japan should be permitted to sign a bilateral treaty with any of the Allied Powers at war with Japan; if such a treaty contained greater benefits, these benefits would have to be conferred on the parties to the present treaty. Mr. Allison observed that Japan need not act on this provision of the draft treaty immediately after the treaty was signed and that it might be better to wait a while before taking steps to sign a bilateral agreement with China. He pointed out that this was a practical solution which had the good effect of showing that other Powers trusted Japan and were willing to allow Japan to exercise its sovereign right in this important matter.

7. Mr. Allison said that two new points regarding reparations had been inserted in the draft treaty, one establishing the principle that Japan should pay reparations and the second providing that Japan would undertake to negotiate with countries which had been occupied and damaged by Japan with a view to rendering them assistance. No amounts were specified. He noted the political importance of the reparations issue in the Philippines and said that probably only Burma in addition to the Philippines would desire to avail itself of this right, although it is possible that Australia on behalf of New Guinea and the UK on behalf of Malaya might claim some reparations. India and Pakistan have indicated that they do not desire reparations. This provision, Mr. Allison emphasized, is primarily a gesture and the nominal nature of such provision has been indicated to the countries concerned.

8. Mr. Allison pointed out that the draft treaty contained no restrictions on Japan's economic activity except possibly that relating to the Congo Basin, that there were no restrictions on shipbuilding or of a military nature, and that most favored nation treatment had been made reciprocal. He noted that this was comparatively a short treaty running to about 20 printed pages as contrasted with the Italian Treaty of 125 printed pages, and expressed the hope that the draft could be kept close to its present form. He emphasized that the primary objectives were (1) to get a treaty and (2) to create an inter-

national atmosphere in which Japan could be accepted on an equal basis.

9. Several additional points were discussed:

(a) The wording of the provision regarding war criminals has been amended so that Japan now "accepts" the various Allied war crimes judgments.

(b) Several protocols have been placed at the end of the treaty in the form of voluntary declarations by Japan regarding the international agreements it would revive, the care of war graves, and insurance and negotiable instruments.

(c) The British proposal for more detailed wording regarding Japan's pre-war obligations, including bonds, had been adopted. Compliance with such a provision would facilitate revival of Japan's international credit.

(d) In response to Mr. Nishimura's question, Mr. Allison said that the French had not raised the issue of reparations for Indo-China.

(e) Mr. Iguchi said that the draft law regarding compensation for damage to Allied property would be ready tomorrow but that the Diet would probably not be able to act on it until it considered the peace treaty, probably at a special session.

(f) Mr. Iguchi said that Japan's diplomatic property in neutral countries should be exempted from seizure as in Allied countries. It was agreed that this point should be examined further.

(g) Mr. Allison said the draft treaty would shortly be handed to FEC nations but there was no plan to publish it next week.

(h) Mr. Nishimura raised the question of the opening of the Japanese Overseas Agency at Taipei. Mr. Allison suggested that action on this be deferred for the time being.

RICHARD B. FINN

694.001/6-2551 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

TOKYO, June 25, 1951—7 p. m.

[Received June 25—7:53 a. m.]

Topad 2234. For Dulles from Allison. Had profitable hour's meeting with General Ridgway this morning in presence of Sebald and Chief of Staff at which time I reviewed in some detail negots in UK Paris and elsewhere. General Ridgway appeared understand reasons for changes in treaty draft and he expressed great admiration and appreciation of work you had done in this respect. The General gave immediate and wholehearted approval to my conducting talks with Yoshida and other Japs and expressed his willingness be of any possible assistance. All elements here been disturbed at Congo Basin provisions but after explanation of strength of Brit feeling on this point appeared reconciled.

This afternoon we had hour's talk with Iguchi and Nishimura when I outlined for them progress in negots and gave detailed review of present draft. I have not yet given Iguchi copy of London text but intend to do so shortly unless you perceive objection.

Problem of Chi participation discussed and Jap seem to realize delicacy of matter. Although apparently somewhat reluctant have matter left their decision, will undoubtedly agree. In this connection what has been fate of proposed statement on Chi participation and Formosa? UK High Commissioner in Delhi said he had been informed statement was to be issued in Washington last Wed or Thur and showed me a text¹ which eliminated bracketed portions of text¹ I have with me. Iguchi said that if statement on Chi participation was to be made public he hoped it wld be possible to have an advance copy for Yoshida's info. I stressed to Iguchi fact that powers willing in effect leave question of Chi to Jap showed great faith in Jap and did much offset some of more unpalatable portions present treaty draft. While Iguchi obviously disturbed at decision re Congo Basin Treaty and transference Jap assets in neutral and ex-enemy countries to Red Cross, he seemed concur in my arguments that these provisions wld go far toward creating favorable atmosphere for re-emergence of Jap both polit and econ. He stated that after he had had an opportunity see exact text Yoshida wld probably desire make some written comments. With respect to BIS he raised question whether funds obtained from sale of shares wld be treated as Jap assets in neutral countries or whether they wld definitely be made available to Jap Govt. I told him my understanding was that this money wld have no strings to it and that it wld return to Jap but suggest you may wish consider some additional phrase which will make this absolutely clear.

Iguchi has given me written memoranda² on question of Phil reparations, and problem of shipbuilding capacity which I have not yet had opportunity to study. He promises complete text² tomorrow afternoon on Jap legis on compensation for allied property in Jap. Fraleigh³ will go over the text with Jap experts and we will report on it later.

Yoshida out of town at present but returns Wed evening and we have tentative appointment with him for 3 p. m. Thur.⁴ Expect to see Clutton 3 p. m. tomorrow and go over treaty problems with him.

Wld appreciate receiving advice as to when it is expected treaty draft will be given FEC countries. [Allison.]

SEBALD

¹ Reference uncertain.

² None found in Department of State files.

³ Mr. Charles A. Fraleigh of the Office of Northeast Asian Affairs, then in Japan to discuss with Japanese officials legal aspects of the treaty draft.

⁴ June 28.

694.001/6-2551 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, June 25, 1951—5 p. m.

Topad 1811. For Allison from Dulles. Reurtel 2234, June 25. Grati-
fied report your mtg with Gen Ridgway and his sympathetic
approach.

Believe any copy of text given Iguchi shld be somewhat para-
phrased or possible some omissions so that as with copies UK circu-
lating to Commonwealth countries it can be stated that no complete
text has yet been given out.

Re statement Chi participation¹ public issue has been suspended
at our suggestion as we wanted consolidate opinion here in advance
of a public statement which wld no doubt elicit formal counterblast
from Taipei. It is agreed with Morrison this suspension of pub in-
volves no shift in our substantive position and in any informal talks
we will adhere wholly to spirit and intent of draft statement.

Agree that proceeds BIS shares not Jap assets in neutral countries
particularly since it is assumed that the shares wld be sold and pro-
ceeds remitted to Jap before treaty comes into force.

Morrison advises Brit Cabinet approved draft treaty June 21 "sub-
j to single point outstanding about shipping which is still causing us
anxiety". He advises Clutton instructed concert with you to "see
whether there is not some constructive solution for our difficulties on
this point". Earlier cable² from Emb London referred to some volun-
tary Jap restriction on ship-building. I do not understand there is
any question of this but rather that the Jap wld officially indicate
possibilities of building for Jap registry cld not within 4 years pro-
vide sufficient Jap shipping so as to make appropriate or meaningful
the addition to Art 12 which UK had proposed and which wld have
prohibited absolutely irrespective of exchange position Jap prefer-
ential use of Jap shipping.

Re Art 14(a) (1) we might omit reference to "econ reconstruction"
on theory that this not needed as in case of Italy because by time Jap
treaty in force econ reconstruction will have been largely accom-
plished but this is furthest I wld go to meet Romulo.

We still have not obtained final approval US Govt account further
Pentagon considerations. However fully confident of satis outcome
altho probably not finalized before weekend and then some minor
language changes may have to be cleared with UK. However hope
begin distribution treaty draft to FEC countries by June 5. [Dulles.]

ACHESON

¹ Reference is to the statement titled "Chinese Participation and Formosa,"
June 19, p. 1134.

² Telegram 6747, June 22, not printed. (694.001/6-2251)

694.001/6-2551 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET

WASHINGTON, June 25, 1951—7 p. m.

1394. Eyes only Rankin from Rusk. Reurtel 1762.² We cannot at this point give any official interpretation which cld be attributed and any purported attribution wld be unfortunate and subj to repudiation by us. However, FYI only, it wld seem to us that both Chi and Jap govts cld reasonably interpret treaty formula to permit (1) informal exchange of views which wld enable it to be unofficially known at time of signing multilateral treaty that bilateral pact was in fact probable; (2) bilateral pact to be negotiated during the interval between signing multilateral treaty and its coming into force as by that time it cld no longer be urged that treaty terms were pressures which were coercing Jap in regard to Chi Govt; (3) bilateral pact to come into force almost immed fol coming into force of multilateral treaty.

We cannot ourselves assume to put official interpretation upon multilateral treaty which wld be acceptable to all. We merely point out that so far nothing has been said or contemplated which wld exclude the Chi Govt and Jap Govt acting generally along lines above indicated. It is emphasized that premature public discussion along above lines wld probably produce undesirable hardening of situation to disadvantage Chi Natl Govt. [Rusk.]

ACHESON

¹ Who drafted this telegram is uncertain. Mr. Dulles' name is typewritten as drafting officer, but handwritten next to his name is the notation "By U[ral] A[lexis] J[ohnson]." Mr. Johnson apparently also cleared this telegram on behalf of Mr. Rusk.

This telegram was sent also to Tokyo as number 1814, marked "Eyes only Sebald."

² Of June 23. In it Mr. Rankin had stated in part: "Believe Chi Govt is in main reconciled nonparticipation multilateral treaty but hoped at least sign bilateral agreement more or less simultaneously . . . Is that possible?" (694.001/6-2351)

694.001/6-2651 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET

PRIORITY

Tokyo, June 26, 1951—7 p. m.

[Received June 26—11 a. m.]

Topad 2241. For Dulles from Allison. Clutton gave me under instructions this afternoon long *aide-mémoire*¹ reiterating UK interest in shipping problem with special reference to art 12(d) of treaty. *Aide-mémoire* states that this is single point outstanding in minds of

¹ Undated; not printed. (694.001/6-2651)

Brit Cabinet which has otherwise approved London treaty draft.² *Aide-mémoire* points out that if shipping is not excepted from provisions of 12(d) it will break precedent of 40 years standing during which HMG has insisted upon and obtained "unqualified national treatment for British shipping". In fact Anglo-Jap commercial treaty of 1911 provided such treatment and shld UK agree to 12(d) it wld in fact mean that after victorious war UK by peace treaty is placed in worse position than before war. Morrison is reported to consider it likely that Neth and Nor Govts will also object to this provision for same reasons. According to HMG even the unqualified natl treatment recd from Japan pre-war did not protect Brit from damaging Jap discrimination and it is stated that shld HMG accept peace treaty provisions providing for qualified natl treatment it wld be "strongly condemned by the shipping and shipbuilding trades, the unions connected with them and by a large section of public opinion in the United Kingdom, and Mr. Morrison would find great difficulty in defending HMG acceptance of such a position in the House of Commons". *Aide-mémoire* concludes with statement that Morrison is anxious draft treaty shld not be circulated with present UK note after art 12 but that HMG position must remain reserved unless US Govt can meet UK desires in this matter. UK therefore requests US to consider either adoption of a separate article on shipping or alternatively the amendment of art 12 to exclude shipping from the operation of para 12(d). Immed fol tel contains UK draft desired shipping art.³

It is possible that if US cld agree with UK desires on this point definite assurances cld be obtained that nothing further wld be heard with respect to limitations on Jap shipbuilding capacity. However, I gave Clutton no encouragement and told him that this was an article on which the US felt strongly but assured him that I wld pass on contents of *aide-mémoire* immed.

With respect to shipbuilding capacity I informed Clutton that info just recd from Jap Govt showing that of 810,000 tons annual shipbuilding capacity, some 133,000 tons capacity had either been suspended or discontinued and Jap Govt is willing to take steps to assure that this capacity will not be restored. This shld go far to reassuring

² On June 21.

³ Telegram 2242 from Tokyo, June 26, reads as follows:

"Fol UK draft shipping article referred to immed preceding msg:

"*Begin text:* Para: Pending the coming into force of treaty or act dealing with navigation and shipping business generally, Japan shall, during a period of four years from the coming into force of the present treaty, accord to each of the allied powers and its nationals and their vessels, on condition of herself receiving similar treatment from the allied power concerned, the following treatment:

"(a) United Nations vessels, including the passengers and cargoes carried therein, shall be accorded national treatment in respect of all matters pertaining to commerce, navigation and the treatment of shipping.

"(b) The provisions of Article 12 (c) shall apply. *End text.*" (694.001/6-2651)

UK, and if US cld concur in shipping article desired by UK I believe we cld expect wholehearted Brit support for treaty with other allied powers.

Instructions requested on this point. [Allison.]

SEBALD

694.001/6-2651 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET PRIORITY

WASHINGTON, June 26, 1951—7 p. m.

1826. For Allison from Dulles. Reurtels 2241¹ and 2242² June 26. Have conferred with Radius³ who points out that US executive pol has consistently sought to secure equality for shipping without regard to need to safeguard external financial position or balance of payments. We are now protesting some shipping preferences based on that reason. Therefore feels we ought not to maintain insistence that Jap can discriminate in favor of Jap shipping on account of external financial position or balance of payments. Also feels confident that elimination of this exception wld not in fact prevent maximum use of Jap shipping to be available over next 4 yrs.

Under circumstances feel disposed accept Brit position to this extent. Apparently Brit proposed text wld prevent Jap monopolizing coastwise shipping as against UK participation even though such monopolization is "an exception customarily provided for in commercial treaties of Japan".

Believe however that this exception shld be permitted to Jap if in fact it has been customarily exercised in Jap's commercial treaties. We wld not oppose bilateral arrangement between UK and Jap providing for Brit participation in Jap coastal shipping on basis of reciprocity but we wld not want to make this mandatory by multi-lateral treaty.

Suggest you confidentially discuss situation with Jap officials familiar with shipping and promptly give us their reactions.

Tell Clutton we are studying but cannot give answers immed.

For your strictly personal info we do not want to concede this point until we know what other changes we may want as result of Def study not completed until tomorrow. We wld then expect to deal with entire series of amendments through direct exchange with FonOff London. [Dulles.]

ACHESON

¹ *Supra.*

² See footnote 3, *supra.*

³ Walter A. Radius, Director of the Office of Transport and Communications Policy.

Lot 54D423

Memorandum by the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] June 27, 1951.

MEMORANDUM RE RYUKYUS¹

1. The United States does not itself desire to acquire sovereignty, for the reason, among other things, that the United States seeks scrupulously to conform to its January 1, 1942 declaration that it seeks "no aggrandizement, territorial or other".

2. If Japan renounces sovereignty in favor of no one, this would create a chaotic international situation, particularly if, as is possible, the United Nations does not approve the trusteeship agreement we shall propose. It might then be claimed

a) that sovereignty was vested in the inhabitants, who could hereafter assert, perhaps with United Nations backing, a right to oust the United States;

b) that the victors in the war over Japan, including the U.S.S.R., have an inchoate right to sovereignty of these islands renounced by Japan in favor of no one in particular;

c) that the United Nations is entitled to deal, in its own way, with the islands and their inhabitants;

d) that the United States has, by a subterfuge, actually acquired the sovereignty.

3. The present formula, whereby Japan agrees that, pending affirmative United Nations action on a United States proposal for trusteeship, "the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, including their territorial waters."² fully complies with the provision of the September 7, 1950 Joint Memorandum that the treaty should "secure to the United States exclusive strategic control".³ It is fully effective, at least so long as Japan is sovereign.

Exclusive strategic control is entirely compatible with residual sovereignty elsewhere, provided the sovereign grants it. We have exclusive strategic control over the former Japanese mandated Pacific islands and over the Panama Canal Zone, although in the former case sovereignty is vested in the United States, United Kingdom and France, and in the latter case in Panama.

¹ An unsigned covering note reads: "This was prepared—but not used—for J[ohn] F[oster] D[ulles'] meeting with Gen. Marshall 6/27/51—2:30 p. m." No memorandum of the mentioned meeting has been found in Department of State files.

² Quotation is from Article 3 of draft of peace treaty dated June 14.

³ For text of the September 7 Joint Memorandum of the Secretaries of State and Defense to President Truman, see *Foreign Relations*, 1950, vol. vi, p. 1293.

The grant by Japan to the United States of continuing full powers over the islands might, however, be impaired if Japan itself renounces—in vacuum—its sovereignty. We would have a grantor which, itself, had no title.

4. The present formula has been discussed with, and informally agreed to by, the Senate Foreign Relations Committee. Any change would have to be explained to it. That might, and probably would, precipitate controversy and seriously delay the treaty making process at a moment when, unless there is quick affirmative action to consolidate the presently negotiated positions, they may collapse both as regards Japan and as regards the other Allied Powers.

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum of Conversation, by the Third Secretary of the Mission
in Japan (Finn)*

SECRET

[Tokyo,] June 28, 1951.

Subject: Japanese Peace Treaty and Bilateral Agreement

Participants: Ambassador W. J. Sebald
Minister John M. Allison
Vice Minister Sadao Iguchi
Mr. R. B. Finn

1. Regarding Japan's sale of its shares in the Bank for International Settlements, discussed in the meeting on June 25, Mr. Allison said that he had put the matter up to Mr. Dulles, who also felt that the proceeds from such a sale should revert to Japan and not be treated as a Japanese asset in a neutral country. Mr. Fraleigh, a legal expert from the Department of State now in Japan, was of the tentative opinion that the BIS Charter explicitly provided that proceeds from the sale of BIS shares should revert to the selling nation. There appears to be no question that Japan will get the money from the sale of its BIS shares.

2. Regarding the proposed US-UK statement on Chinese participation in the Japanese peace treaty, Mr. Dulles had informed Mr. Allison that no public statement would be issued for the time being. Mr. Allison added that it was apparently not certain that such a statement would be made.

3. Mr. Allison said that the memorandum on Japan's shipbuilding handed him by Mr. Iguchi on June 25¹ was most useful and asked whether there was some expert on this problem in the Japanese Government with whom he might discuss the matter further. Mr. Iguchi

¹ Not found in Department of State files.

suggested either Mr. Kiyama or Mr. Okada of the Ministry of Transportation and said he would check this and let Mr. Finn know so that a conference on shipbuilding could be arranged.

4. Mr. Allison handed Mr. Iguchi two copies of various articles of the latest draft peace treaty (Articles 4, 8, 11, 12, 15, 16, 18, and 26), stating that these articles contained many of the major changes made in the treaty draft which the Japanese had been given in February. Mr. Allison briefly described each of the 8 articles handed Mr. Iguchi and said he would be glad to answer any questions the Japanese might have on these articles.

5. Mr. Allison also handed to Mr. Iguchi the revised text of the proposed bilateral agreement² and requested that it be brought to Mr. Yoshida's attention as soon as possible in order that the views of the Japanese Government might be known in Washington. Mr. Allison pointed out that the present draft was almost the same as that handed the Japanese in February with the exception of three changes:

(a) The title of the proposed agreement had been changed in conformity with Japanese suggestions.³

(b) Paragraph three of the Preamble had been altered in accordance with the change made in the treaty itself by deletion of the phrase "with one or more of the Allied Powers".

(c) The second sentence of numbered paragraph one had been changed to avoid any implication that US forces stationed in Japan might be authorized to interfere in the internal affairs of the Japanese Government. The previous wording might have presented an opportunity to opponents of the treaty and the bilateral agreement to attack both agreements at the time of Japanese ratification, and US Defense Department officials also felt that the earlier wording was undesirable because similar agreements with other nations contained no reference to responsibility or authority to intervene in the internal affairs of the state concerned. (Cf. Deptel 1810, June 25, 1951).⁴

² Not printed; it had been transmitted to Tokyo in the Department's telegram 1810, June 25, not printed. (694.001/6-2551)

³ The title at this time was "Security Agreement Between the United States of America and Japan".

⁴ In telegram 1810, cited in footnote 2 above, the text of paragraph 1 reads as follows: "Jap grants, and the US accepts the right, upon the coming into force of the Treaty of Peace and of this agreement, to station US land, air and sea forces in and about Jap. Such disposition wld be designed to contribute to the security of Jap against armed attack from without, including assistance given at the express request of the Jap Govt to put down large-scale internal riots and disturbances in Jap, caused through instigation or intervention by an outside Power or Powers."

One other change differentiated this draft from that of February 9. The word "effective" had been inserted between "the" and "means" in the second sentence of the Preamble. For information on the draft of February 9, see Annex II to the letter of February 10 from Mr. Dulles to Secretary Acheson, p. 875.

6. Mr. Iguchi asked about the proposed site for signing the treaty. Mr. Allison said that there was no definite decision on this but that the leading suggestions were Tokyo and San Francisco. He said that Pakistan officials had suggested Tokyo and that Indian officials had no strong feeling on this score. He also felt that France and Britain would go along with Tokyo. When asked, Mr. Iguchi said he thought Tokyo would be best but that there might be opposition to Tokyo on the part of other countries. He said he had not discussed this matter with friends or colleagues. Mr. Sebald said that Japanese friends of his approved the idea of holding the signing ceremony in Tokyo and he thought some place such as Memorial Hall might be suitable. Mr. Allison commented that an invitation ⁵ had been received from the mayor of San Francisco ⁶ but that the mayor appeared to have in mind the conventional type of peace conference involving a long time and a lot of important people. The ceremony for the Japanese peace treaty would be a short one and would probably involve representatives from most of the nations who had been at war with Japan. He added that nothing was fixed in regard to the site and kind of ceremony contemplated.

6. [*sic*] Mr. Iguchi raised the question of the opening of the Japanese Overseas Agency at Taipei. Mr. Sebald said that if there was going to be no joint US-UK statement on Chinese participation in the peace treaty, it might be well to go ahead with the opening of the Taipei office; he noted that the Chinese in Tokyo were pressing the issue and there were no longer any good reasons for delay, especially if as planned the Japanese were to open a number of other overseas agencies in the near future. It was agreed to hold action on this matter temporarily and to consult Mr. Dulles.

RICHARD B. FINN

⁵ Not printed.

⁶ Elmer E. Robinson.

694.001/6-2851

The Secretary of Defense (Marshall) to the Secretary of State

SECRET

WASHINGTON, June 28, 1951.

DEAR MR. SECRETARY: Reference is made to the draft Japanese peace treaty received on 15 June 1951 from Mr. John Foster Dulles, special representative of the President in relation to Japanese peace treaty matters. The Joint Chiefs of Staff have considered this draft peace treaty. Their views and comments, which have my general concurrence, are forwarded herewith.

With regard to paragraphs 3 to 8, inclusive, of the Joint Chiefs of Staff comments, it is my understanding, based on a conference with Mr. Dulles, that the recommendations made by the Joint Chiefs of Staff have been under discussion between our two Departments and will present no difficulty for incorporation into the treaty.

On the question of signature of the treaty by Communist China, raised in paragraph 9 of the Joint Chiefs of Staff memorandum, it is my understanding that China will not be permitted to sign this treaty. I should appreciate your confirmation of this.¹

The first sentence of paragraph 10 of the memorandum indicates clearly that the Joint Chiefs of Staff would object to this treaty coming into force as between Japan and any of the allied powers until after the date of its ratification by the United States. As a result of my discussion with Mr. Dulles, I am aware of the difficulty which this point of view raises and I recognize that it may not be practicable to give the United States such unlimited control over the actions of its sovereign allies, as this sentence would seem to call for. In view, however, of serious objection raised by the Joint Chiefs of Staff, I suggest that the matter be brought to the attention of the President at the earliest possible date for resolution.

Faithfully yours,

G. C. MARSHALL

[Enclosure]

SECRET

WASHINGTON, 26 June 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Japanese Peace Treaty

1. This memorandum is in response to the request, contained in your memorandum dated 15 June 1951, for the views and comments of the Joint Chiefs of Staff with respect to the draft Japanese Peace Treaty dated 14 June 1951.

2. Inasmuch as the subject draft Treaty is no longer in outline form but is approaching its final form as a legal document, and because of the structure and the complexities of that document, the Joint Chiefs of Staff believe that they must address their views to the specific language of certain articles therein, in addition to stating or reaffirming certain principles and objectives. In this connection, the Joint Chiefs of Staff would advise that these comments do not include the views of the Commander in Chief, Far East (CINCFE), and have been made without benefit of detailed legal analysis.

¹ Mr. Acheson confirmed this understanding in the course of a letter of June 28, to Mr. Marshall, not printed. (694.001/6-2851)

3. It must be insured that the Treaty does not come into effect until the United States has ratified it. Accordingly, it is suggested that Article 1 be changed to read :

“The state of war between Japan and each of the Allied Powers is hereby terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned, *as provided for in Article 23.*”

4. For reasons of national security the United States must retain absolute control of the former Japanese islands enumerated in Article 3, at least until favorable action is taken by the United Nations on the United States request for a strategic trusteeship for the area. It is the understanding of the Joint Chiefs of Staff that this right is guaranteed by Article 3 of the Treaty and by Article 79 of the Charter of the United Nations. However, it should be made certain that no other nation will share or lawfully interfere with United States strategic control of these islands. Furthermore, the Nanpo Shoto Islands should be included in order to be consistent with the directive of the President of 8 September 1950. For these reasons, it is suggested that Article 3 be changed to read as follows :

“Japan will concur in any proposal of the United States to place under its trusteeship system, with the United States as the *sole* administering authority, the Ryukyu Islands south of 29° north latitude, *the Nanpo Shoto south of Sofu Gan*, the Bonin Islands, including Rosario Island, the Volcano Islands, Parece Vela and Marcus Island. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.”

5. It should be made certain that there be no basis, either stated or implied, written into the Treaty which might provide for the possible legal claim of Communist China to sovereignty over Formosa, the Pescadores, Paracel, and Spratley Islands and to property in the other islands referred to in Article 3, now under the control of the United States, as well as to accession of real property, such as consulates, buildings, and businesses, formerly held by the Government of China or its nationals in these areas. It would appear that in its present form the second sentence of Article 4 (*a*) might afford Communist China a valid claim over that territory were it to sign and ratify this Treaty.

6. It is essential that there be no confusion between occupational forces and armed forces which are to remain in Japanese territory under or in accordance with U.S. bilateral agreements with Japan. Accordingly, the first sentence of Article 6 (*a*) should be changed to read :

"All ~~armed~~ forces of *occupation* of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter."

7. It is considered essential to prevent any requirement for Japan to recognize such treaties as those between the USSR and Poland and East Germany, and, specifically, the Sino-Soviet Treaty of February 1950, as well as any other treaties or arrangements for or in connection with the restoration of peace which the USSR and such of its satellites as were belligerents in World War II, including Communist China, might initiate. For this reason, it is proposed that the first sentence of subparagraph (a), Article 8, might be changed to read:

"Japan will recognize the full force of all treaties now or hereafter concluded *by the Allied Powers* for terminating the state of war initiated on September 1st, 1939, as well as any other arrangements for or in connection with the restoration of peace *made by the Allied Powers*."

8. Under no circumstances should the United States sponsor recognition or other benefits to Communist China or to a Communist Government which might subsequently be established in Korea. The language of Article 21, wherein China will be entitled to the benefit of Article 14, would place a requirement upon Japan (under the first sentence of Article 14 (a) 1) to enter into direct negotiations with the Government of Communist China whenever the latter so desires. This, in effect, would force Japan to recognize the Chinese Communist Government inasmuch as the effect of Article 21 is to require a substitution in Article 14 of the word "China" for the words "Allied Powers." It is considered, therefore, that revision of Article 21 is required.

9. The Joint Chiefs of Staff consider it essential that Communist China not be permitted to capitalize upon the opportunity afforded it of signing and ratifying this Treaty, which action would carry with it, both stated and by implication, many tangible and intangible military rights. The Joint Chiefs of Staff would not object if Japan, subsequent to the ratification of the subject Treaty, in the exercise of its rights as a sovereign nation, entered into Treaty obligations with any nation, as is provided for in Article 26. It appears, however, that under Article 25 in its present form Communist China might qualify as an Allied Power and thus be accorded all the rights and benefits of an Allied Power accruing to the signators. The Joint Chiefs of Staff and all of the members of the armed forces of the United States would, for obvious reasons, find it repugnant voluntarily to accord such rights to Communist China and to be so associated with

a nation at present conducting major hostilities against the United States. It is considered, therefore, that revision of Article 23 (a) and of Article 25 may be necessary to prevent such an eventuality.

10. It is considered essential to prevent the coming into force of the Treaty until after the date of its ratification by the United States. The Joint Chiefs of Staff reaffirm their view that at the time the treaty of peace with Japan and the concomitant bilateral treaty are agreed to, the date of their coming into effect must, for cogent military reasons, be determined in the light of the world situation generally, and specifically in the light of the situation in the Far East. Furthermore, the Joint Chiefs of Staff believe that if a treaty is to become effective prior to completion of hostilities in the Far East, an arrangement providing as a minimum requirement for continued United States use of Japan as a base in the event of hostilities in the Far East, whether or not under United Nations aegis, will be essential. Consequently, Article 23 (b) should be carefully studied to insure that the objectives of the Joint Chiefs of Staff are accomplished.

11. The Joint Chiefs of Staff have been informed that they will soon be afforded opportunity to comment on a draft bilateral United States-Japanese treaty of security. The foregoing comments on the basic draft Japanese Treaty of Peace are made without prejudice to their views on the bilateral treaty. In this connection, they would reaffirm strongly their position that United States security interests require that the proposed Peace Treaty with Japan not be permitted to become effective without the coming into effect simultaneously of a bilateral United States-Japanese treaty of security.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

694.001/6-2851

*Memorandum by the Secretary of State to the President*¹

SECRET

WASHINGTON, June 28, 1951.

I attach hereto:

1. The text of the June 14, 1951, proposed Japanese Peace Treaty. This was the text agreed upon by Mr. Morrison and Mr. Dulles in London subject to Governmental approvals. The British Cabinet gave its approval on June 21.

2. Letter to me from Secretary Marshall transmitting a copy of the memorandum to him of June 26, 1951, from General Bradley

¹ Memorandum drafted by Mr. Dulles.

on behalf of the Joint Chiefs of Staff,² containing the latter's comments on the draft treaty.

With one exception, the points raised by the Joint Chiefs of Staff memorandum of June 26, 1951, relate to matters of drafting and clarification and do not involve any substantive problem. The only substantive problem, as pointed out in Secretary Marshall's letter to me, relates to the question of whether or not it is practical or necessary to seek for the United States a power to veto indefinitely the right of other Allied Powers to make peace with Japan on the terms of this Treaty.

The present text (Article 23) would assure that for nine months after Japan's ratification of the multilateral treaty, it cannot come into force as regards any one without ratification by the United States. That, in effect, will give us veto over the treaty coming into force in any respect until about July 1, 1952.

Only with great difficulty have we obtained this nine months' veto power for the United States. We obtained it on the theory that the United States as principal occupying power, should be able provisionally to control the situation because, through SCAP, it has the administrative problem in Japan of effecting transition from a state of war to a state of peace.

We feel sure that any attempt to enlarge our veto power so as to make it perpetual would be unsuccessful and would put us in a position of seeking for ourselves the kind of veto power which the Soviet Union has sought for itself in relation to the Japanese Peace Treaty and which we have vigorously and repeatedly condemned.

The Joint Chiefs of Staff have a proper concern that no action should be taken without United States concurrence which could deny the facilities in Japan needed for the prosecution of military action in Korea. I believe that our legal rights in this respect are fully protected so long as the United States, as principal occupying power, retains its belligerent rights in and through SCAP. Furthermore, if hostilities persist into next year, it can be assumed that the other Allied Powers whose troops are actively participating therein, would, of their own volition, act in concert with us to prevent any coming into force of the Peace Treaty which would embarrass our common effort. The United States can, in this respect, exercise a strong influence, even though it cannot obtain a legal right over the other Allied Powers.

In this matter it may also be important to retain both legal and practical flexibility. It cannot be guaranteed that a satisfactory *status quo* can be maintained indefinitely in Japan in the absence of a peace settlement. When it comes to determining, next year, the exact pro-

² Both *supra*.

gram for the coming into effect of the Peace Treaty as between Japan and the United States and perhaps others, you will, I think, want to consider not only the military position in and about Korea but also the requirement that Japan should continue to be a bastion that is friendly.

In view of the foregoing, it is my recommendation that the point raised by the Joint Chiefs of Staff in paragraphs 3 and 10 of their memorandum, which Secretary Marshall and I agree should be submitted to you, should be resolved in favor of maintaining the formula of Articles 1 and 23 of the attached draft and that we should be authorized to proceed to circulate to other governments the attached treaty draft with minor textual modifications such, for example, as are required to meet certain of the points raised by the Joint Chiefs of Staff, and such as do not involve security or important substantive considerations. The final drafting of a definitive text will take place on receipt of comments of other governments.³

DEAN ACHESON

³ The source text bears a marginal note in President Truman's handwriting: "Approved July 3, 1951".

694.001/6-2851 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, June 28, 1951—5 p. m.

Topad 1844. For Allison from Dulles. Pentagon has expressed some concern lest 14 (b) involving waiver of claims of Allied Powers for "direct military costs of occupation" might be claimed by Jap to require waiver of advances for food and medical supplies for population because Art 55 Geneva Convention, Aug 12, 1949 calls on occupying power to insure food and medical supplies of population. We do not believe that this is a possible interpretation of 14(b). Also Geneva Convention referred to not ratified by US and indeed not in existence during most of period. However, it wld be helpful if you put us in position to assure Pentagon no such claim will be made by Jap.¹

Foregoing shld not be interpreted as involving any change of policy re scaling down GARIOA debt but Pentagon feels obligated maintain claim intact until scaling down actually accomplished. [Dulles.]

ACHESON

¹ In telegram 13, from Tokyo, July 5, marked "Dulles from Allison," the latter reported being informed by Mr. Iguchi that Japan would state in writing that it did not interpret Article 14 (b) as requiring the United States to waive claims for advances under GARIOA appropriations for food and medical supplies furnished Japan prior to the time the treaty should come into force. (694.001/7-551)

694.001/6-2851 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

Tokyo, June 28, 1951—6 p. m.

Topad 2261. For Dulles from Allison. Sebald and I have just finished conversation with Yoshida, Iguchi and Nishimura which in our opinion quite satisfactory. We had given Iguchi this morning text of bilateral security agreement forwarded Deptel 1810, June 25¹ and explained reason for changes. We were informed this afternoon that Jap only had minor textual changes to suggest, that these wld be given us tomorrow, but that in substance present text is agreeable.

Yoshida expressed concern about formula for Chinese participation and it is obvious Jap are most reluctant have decision left to them. However, not believed there will be any serious difficulty this point. With respect to Japan agreeing that assets in neutral and ex-enemy countries shld go Red Cross for POW's benefit, Yoshida stated he wld like to enter official protest but laughingly admitted this was for internal consumption in Diet and that obviously if US did not wish consider his protest there was nothing Japan cld do.² Iguchi had given Yoshida full account our previous talk and apparently had impressed him with difficulties confronting US in other countries with result Yoshida expressed great appreciation for work accomplished in obtaining agreement treaty text.

In addition to text of bilateral we also gave Iguchi this morning text of several articles of treaty such as 11, 12, and 15 which seemed contain most significant changes from previous text seen by Japan. Both Iguchi and Nishimura implied there wld be no serious difficulty any these points although (Nishimura did say he feared there wld be considerable post-treaty difficulty for Japan in negotiating arrangements concerning property questions and claims in ceded territories and said it wld be necessary for Japan receive strong diplomatic support of US if satisfactory arrangements were to be concluded. At my request he agreed provide memo³ giving details of type difficulties he foresaw.

¹ Not printed ; see footnote 4, p. 1154.

² In telegram 1845, to Tokyo, June 28, marked "For Allison from Dulles," the latter stated: "Pls personally urge Yoshida refrain from protest Art 16 as this wld utterly destroy psychological value which cld be external asset far more important to Jap than the relatively minor monetary amts involved." (694.001/6-2851)

In telegram 2272, from Tokyo, June 29, marked "For Dulles from Allison," the latter replied in part: "Have just had further talk with Iguchi who assures me Jap protest re art 16 on neutral assets going to Red Cross will not be a public one by Yoshida but merely his private protest to us. This shld obviate danger of creating internatl ill will." (694.001/6-2951)

³ See telegram 14, from Tokyo, July 2, as annotated, p. 1171.

Yoshida raised question what wld be nationality persons in Ryukyus and Bonins shld trusteeship be obtained and also whether it wld be possible for them retain close econ connection with Japan. He said it was desired in econ matters give them natl treatment and inquired whether any of these problems were being considered by US. I replied that naturally all these points were of interest, that as you had pointed out in Feb, question of future of Ryukyus was only for allied determination but that I was certain US wld be willing receive Jap suggestions regarding practical details and that if he or his experts had any comments these matters I was prepared receive them. He said that prior my departure memo ⁴ on these points wld be furnished.

Am meeting with [garble] and treaty experts tomorrow to discuss points raised Deptel 1826, June 26, ⁵ and tomorrow afternoon Fraleigh is meeting with SCAP and Jap experts to consider in detail legislation on compensation for allied property.

As result mtg this afternoon it is my opinion Japs are in fact relieved that treaty retains in such great degree spirit and content of original draft and that as far as Japanese Govt concerned we will obtain acquiescence all essential points.

Re your 1831, June 27 ⁶ just recd believe it will be possible obtain final Jap views by Saturday ⁷ Tokyo time. Am convinced, however, Jap suggestions will be more in regard detailed wording than substance and largely for the record. [Allison.]

SEBALD

⁴ See footnote 5, p. 1173.

⁵ *Ante*, p. 1151.

⁶ Marked "For Allison from Dulles." In it the latter had in part inquired whether Mr. Allison wanted the Department to delay clearing the "final text" of the peace treaty with the United Kingdom until Mr. Allison could cable his further views. (694.001/9-2751)

⁷ June 30.

Lot 54D423

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] June 29, 1951.

This morning following the Cabinet the President received me with General Bradley and Mr. Lovett.¹ General Marshall was testifying on the Hill. The subject under discussion was my memorandum to the President of June 28, 1951 ² regarding the request of the JCS that the draft treaty with Japan should be changed so as to give the United States a perpetual veto over the possibility of the treaty coming into force between Japan and any other signatory.

¹ Robert A. Lovett, Deputy Secretary of Defense.

² *Ante*, p. 1159.

The President asked me to state the problem, which I did.

He then asked General Bradley to state the objections of the JCS. General Bradley placed these entirely upon the dangers and difficulties which might arise if the treaty came into effect while the war in Korea was continuing, with the result that we could not have freedom of the use of Japanese facilities for the war.

The President asked me to comment on the General's statement. I made the points which were already made in the memorandum of June 28, pointing out that in this case as in so many others the United States could not rely on mere arbitrary authority to control other people, but had to do it by persuasion and that since the other signatories of the treaty would be very largely associates of ours in the war, it seems to me that there is very little risk that they would not act sensibly and cooperatively.

The President then asked Mr. Lovett if he had any views to express. Mr. Lovett said that General Marshall had asked him to say he hoped that the President would consider the matter very fully. General Marshall's own view was that on this question the State Department's advice should be pretty nearly controlling. He pointed out on behalf of General Marshall that at the present time the other nations had complete freedom of action to make treaties or not as they chose. He thought that the Department and Mr. Dulles had accomplished a great deal by having them waive their rights for nine months after the Japanese ratification. He doubted very much whether an attempt to renegotiate this would be successful and that it might on the contrary do harm.

After listening to us, the President said that he had thought about this question both before and after receiving the memorandum. He believed that we had proceeded in the best way open to us and that it would be a mistake to attempt to extend our legal powers over our associates. He, therefore, decided in favor of the draft treaty as it stood and he added that he had already read the treaty three times and was taking it home for study and that he was enthusiastic about it.

694.001/6-2851 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, June 29, 1951—12 noon.

Topad 1848. For Allison from Dulles. Reurtel 2255, June 28.¹ It is present assumption as working hypothesis Peace Treaty and bilateral security treaty will not come into force prior end Korean hostilities.

¹ Not printed.

If, however, conditions next year seemed to make desirable put peace treaty into effect prior ending hostilities consideration wld be given to consummating arrangement with Jap along lines of previously discussed addendum² providing for continuing use of Jap facilities. In this connection consideration wld surely be given to position of other Allied Powers participating in hostilities. It can be assumed that govts of Allied Powers whose troops are actively participating in Korean hostilities wld consult to prevent timing of treaty coming into force which wld embarrass common effort. Foregoing your background for informal and strictly confidential discussions with friendly Allies who raise questions as reported in urtel. [Dulles.]

ACHESON

² For the last mention of this "addendum", see the attachment to Mr. Dulles' memorandum to the Secretary of April 25, p. 1019.

Tokyo Post Files : 320.1 Peace Treaty

Memorandum of Conversation, by the Third Secretary of the Mission in Japan (Finn)

SECRET

[Tokyo,] June 29, 1951.

Subject: Treaty Provisions Regarding Shipping

Participants: Minister John M. Allison

Mr. Shoichi Amari, Director of Ship Bureau, Ministry of Transport

Mr. Kivoshi Fujino, Chief of Shipbuilding Section, Ship Bureau, Ministry of Transport

Mr. Yoshimitsu Ando, Chief of General Affairs Section, Political Bureau, Foreign Office

Mr. Richard B. Finn

1. Mr. Allison described Article 12 of the draft treaty, particularly 12 (d), after the Japanese officials indicated they had only brief familiarity with the article and were not clear as to the problem involved. Mr. Allison stated that the United States policy was to seek equality for shipping and to exempt shipping from restrictions imposed by other countries desiring to protect their external financial position or balance of payments, and he stated that the United Kingdom felt that Article 12 (d) would put them in a worse position than before the war since they had previously received unconditional national treatment in respect to shipping and by this provision would receive only conditional national treatment. The UK had suggested a separate article regarding shipping by which they would receive unconditional national treatment; the US did not think this desirable

in a multilateral treaty and felt that such a problem might better be handled in a bilateral treaty between Japan and the UK. Exemption of shipping from those conditions of Article 12 (*d*) relating to external financial position and balance of payments would make it easier to gain approval of the treaty in the US and the UK. Mr. Dulles had felt that the opinion of Japanese experts would be useful in this regard.

2. Mr. Ando stated that the Japanese were not prepared to give an opinion on this matter at the present time. Mr. Allison emphasized that the contemplated amendment of Article 12 (*d*) would mean merely that the Allied Powers would not be in a worse position after the war than before and also that any obligations imposed on Japan would be subject to reciprocal treatment. He added that such an amendment would have the result of facilitating UK approval of the treaty and also of virtually eliminating the possibility that there would be any limitations in the treaty on Japan's shipbuilding in the post-treaty period.

3. Mr. Ando asked about coastal shipping and was shown the draft shipping article suggested by the UK. (See mistel 2242, June 26, 1951).¹ Mr. Ando stated his feeling that amendment of Article 12 (*d*) would be preferable to insertion of a new article along the line of the article suggested by the UK.

4. It was agreed that the Japanese would consider the matter and forward an opinion as soon as possible.²

RICHARD B. FINN

¹ See footnote 3, p. 1150.

² In telegram 2272, from Tokyo, June 29, marked "For Dulles from Allison," the latter reported in part: "As result mtg this morning with Jap shipping and treaty experts, Iguchi told me Jap Govt wld have no objection excluding shipping matters from purview of 12(*d*) on understanding this in fact merely restored prewar situation. This will be confirmed in writing tomorrow." (694.001/6-2951)

694.001/6-2951 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET PRIORITY

WASHINGTON, June 29, 1951—8 p. m.

Topad 1854. For Allison from Dulles. Urtel 2272 June 29.¹ Have informed UK we are prepared make fol alteration Art. 12(*d*). After "external financial position" strike out comma and fol words to and including "security interests" and substitute "or balance of payments (except in respect to shipping and navigation), or on the need to maintain its essential security interests".

¹ See footnote 2, *supra*.

FonOff informed we are extremely reluctant make this concession but in view personal msg recd from Morrison² and in order expedite agreement on unqualified text we are prepared meet UK views. You may inform Clutton accordingly.³ [Dulles.]

ACHESON

² Of June 22, not printed. (694.001/6-2251) However, the content of this message is partially described in telegram 1811 to Tokyo, June 25, p. 1148.

³ Telegram 2279, from Tokyo, June 30, marked "For Dulles from Allison," follows in entirety:

"Have rec'd written statement this morning saying Jap Govt 'has no objection to exclude matters concerning shipping *except cabotage* from the application of article 12 (d)'. Statement points out that Art 2 of supplementary convention to the 1911 treaty of commerce and navigation between Japan and the UK provides 'the coastal trade of the high contracting parties is excepted from the provisions of the present treaty, and shall be regulated according to their respective laws.'" (694.001/6-3051)

694.001/6-3051 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

Tokyo, June 30, 1951—2 p. m.

Topad 2278. For Dulles from Allison. Fol are official Jap comments on draft bilateral security agreement forwarded in Deptel 1810 June 25:¹

"1. In order to make the draft agreement complete it will be necessary to add a provision regarding ratification and the time of enforcement, stipulating that:

" 'This agreement shall be duly ratified by each country and it shall come into force simultaneously with the coming into force of the peace treaty between the United States and Japan.'

"2. A slight change in the wording of paragraph 5 is desired as follows:

" 'Japan will increasingly assume responsibility *for the defense of its own homeland*' shall read:

" 'Japan will increasingly assume responsibility *for its own defense*.' This amendment is intended to preclude a possible misinterpretation of the term 'homeland' as signifying only the four major islands, and the consequent misgivings that the minor islands might be left out of consideration".

In addition to above textual changes Jap Govt points out that while text makes clear legal basis for Jap conclusion of agreement in exercise right of self-defense and also right to enter collective self-defense

¹ Not printed, but see footnotes 2 and 4, p. 1154.

agreements no similar legal basis for United States participation is mentioned. Jap Govt believes questions will be raised on this point in the Diet and wld appreciate being informed of the stand the Amer Govt wld take in this regard. I told Iguchi that we wld endeavor to work out something for use of Jap Govt in this connection and communicate it to him later. [Allison.]

SEBALD

London Post Files : 350 Japan

The First Secretary of the Embassy in the United Kingdom (Ringwalt) to the Head of the Japan and Pacific Department (Johnston) in the United Kingdom Foreign Office

SECRET

LONDON, June 30, 1951.

(DEAR CHARLES:) As you are aware, the Department of State during the past few days, has suggested a number of changes, the substance of which has already been communicated to you orally, in the June 14 draft of a Japanese peace treaty.

I now propose to put these changes in writing in as nearly an authoritative form as I can, together with the Department's explanations, where given, for the various changes:

Article 1:

At the end, change the period to a comma and add "as provided for in Article 23".

Reason: The coming into force of the treaty is already controlled by Article 23 but we believe that an express cross reference would be useful.

Article 3:

The first sentence should read as follows: "Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, the Ryukyu Islands south of 29° north latitude, the Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island."

Reason: It is desired to emphasize the exclusive United States administering position and to make clear that the trust territory covers all the islands and reefs which might be included in the South Nanpo Shoto area.

Article 6(a):

The opening sentence should begin "All occupation forces . . ."

Reason: "Occupation" forces includes more than "armed" forces but the emphasis is on the ending of occupation as such.

Article 8(a) :

The first sentence should read as follows: "Japan will recognize the full force of all treaties now or hereafter concluded by Allied Powers for terminating the state of war initiated on September 1st, 1939, as well as any other arrangements by Allied Powers for or in connexion with the restoration of peace."

Reason: Without the additions suggested, Japan might be bound to recognize the arrangements made by the Soviet Union with East Germany, for example, even though the Soviet Union is not an Allied Power for the purposes of the Japanese peace treaty. We would prefer to omit wholly the first sentence of 8(a) as vague and without clear practical significance but would retain it subject to the amendment proposed.

Article 8(b) :

In the second line add an "s" to the word "convention".

Reason: This would cover the liquor convention,¹ as desired by the United Kingdom.

Article 12(d) :

The final few lines of this paragraph should read: "... or on the need to safeguard that party's external financial position or balance of payments (except in respect to shipping and navigation) or in the need to maintain its essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner".

Reason: This would meet the United Kingdom desire that the balance of payments and foreign exchange conditions should not be available as a basis for according preferential treatment to national shipping. We are extremely reluctant to make this concession but in view of Mr. Morrison's personal message to Mr. Dulles of June 22nd² and to expedite agreement on an unqualified text we are prepared to meet Mr. Morrison's view.

Article 14(a) :

The first line should read: "It is recognized that, although Japan should . . ."

Reason: To meet the feeling that Japan should share recognition of the principle of reparation.

Article 14(a) (1) :

The second sentence should read as follows: "Such arrangements shall avoid the imposition . . ."

¹ For text of the Convention relating to the Liquor Traffic in Africa, signed at St. Germain-en-Laye, September 10, 1919, see TS No. 779 or 46 Stat. (pt. 2) 2199.

² Not printed, but see footnote 2, p. 1167.

Reason: The original phrase, taken from the Italian Peace Treaty is not so necessary in the case of Japan where there has been much more time for reconstruction. It could be misused politically in the Philippines and other areas occupied by Japan to indicate greater concern for Japanese reconstruction than with occupied areas reconstruction.

Article 15(a):

The first two lines on page 13 of the draft ³ should read: "Power and its nationals which was within Japan on December 7, 1941, unless the owner has freely . . ."

Reason: It is believed that neither of our governments intended that compensation legislation should cover claims for looted Allied property brought to Japan during the war and then consumed or lost.

Article 16:

This Article should read as follows: "As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals which were, on September 2, 1945, within countries which were neutral during the war, or which were at war with any of the Allied Powers, or the equivalent of such assets, to the International Committee of the Red Cross which shall liquidate such assets and distribute the resultant fund for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable those categories of assets which are excepted from seizure in the jurisdiction of Allied Powers pursuant to the provisions of Article 14(a)2(II) of the present treaty, and the 19,770 shares of the Bank for International Settlements presently owned by Japanese financial institutions, shall be excepted from transfer".

Reason: As now expressed, Article 16 would only speak as from coming into force of the treaty and the assets removed before then would be exempted. We understand the International Committee of the Red Cross is the proper body for a task of this character. It is also assumed that assets exempted from seizure by the Allied Powers themselves should be exempt under Article 16 with further exemption to shares of the Bank for International Settlements because of the international and quasi-extraterritorial character of the institution and the special circumstances surrounding the disposal of Japanese shares.

³ Reference is to the first sentence of Article 15(a).

Article 21:

This Article should read: "... China shall be entitled to the benefits of Articles 10 and 14(a) 2 . . ."

Reason: If China got the benefits of Article 14(a)1, Japan would be obliged "promptly" to enter into negotiations concerning services to be rendered to China. It is intended to make automatic only those provisions which could be carried out without inter-governmental dealings.

First Declaration:

In the final paragraph insert an "(a)" before the words "the Convention of International Civil Aviation"; change the final period to a comma and add "and (b) the Convention of the World Meteorological Organization signed at Washington under date of October 11, 1947".

(Sincerely yours,)

(ARTHUR R. RINGWALT)

694.001/7-251 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

Tokyo, July 2, 1951—6 p. m.

Topad 14. For Dulles from Allison. Iguchi gave us this afternoon final Jap comments on treaty¹ and as predicted no points of great substance are involved. In connection Article 4 Japs believe execution will prove impossible in practice and point to problems raised by situation in Korea.² In case provision is retained Japs believe they wld need absolute US dipl support to achieve any concrete results. They also point out necessity of specifying that "claims" mentioned this Article do not include reparations.

In connection Article 14 Japs express pain it gives them to shoulder reparations responsibility even under terms of 14 (a) but state "we will, as we must, bow to necessity". They also request US dipl support in negotiating the necessary "arrangements" required. Respecting para 2 of Article 14 it is pointed out that provision Allied powers may dispose of Jap property subject to their jurisdiction "at any time between December 7, 1941 and the coming into force of the Peace Treaty" is notably different from the similar provision in the Italian Peace Treaty which merely stipulates property in allied territories

¹ "Observations," July 2, not printed. (694.001/7-951)

² The document cited in footnote 1 above reads in part on this subject as follows: "Accordingly, we still believe that our formula submitted before (Property succession—positive or negative—terminates in the respective areas concerned) is the sole practical formula."

at time of coming into force of the treaty. Japs point out present provision 14 para 2 likely to extend scope of property to be seized by including mobile property such as ships that had stopped even for only brief periods at an allied port or navigated in territorial waters of an Allied power during the specified period. They request adoption of same principle as in Italian Treaty.

Concerning Article 15, if it shld prove difficult to have law passed prior to treaty signing, the Japs suggest requesting SCAP authorization for issuance of Cabinet order embodying contents of compensation law so that peace treaty cld refer to Cabinet order and stipulate that "compensation shall be made on terms not less favorable than those provided for by this Cabinet order". Alternatively Japan cld communicate in writing to US its intention of having compensation law enacted by Diet and send copy of the bill and have peace treaty stipulate "according to the compensation law mentioned in the Japanese Government's communication dated July (blank) 1951".

Same question is raised as with Article 14 on requirement to return all allied property within Japan at any time between Dec 7, 1941 and Sept 21, 1945.³ However, after hearing explanation of reasons for this provision particularly as it might apply to seized ships or cargoes after outbreak of war, Nishimura stated it wld be possible to explain reasons to Diet satisfactorily.

Re Article 16 regret is expressed re disposition of assets in neutral countries and desire made clear that such transfer be limited to public assets and only after liquidation of all claims against such assets. Japs also state that exceptions stipulated under para 2 Article 14 shld also apply under Article 16.⁴

Re Article 17 it is pointed out all records and docs of Jap prize courts turned over occupation authorities and none of them have been returned to Jap Govt. Of 58 vessels confiscated by Japan 41 have been returned, 14 were sunk and 3 are awaiting restitution at present time. Japs therefore believe peace treaty shld only stipulate that with respect to compensation for vessels and cargoes for which restitution is impossible provisions Article 14 shld apply.

³ i.e., Japan asked in the "Observations" that the provision apply to allied property as it existed as of the first day of the war.

⁴ In a memorandum by Mr. Finn of the conversation referred to in this telegram, the section on Article 16 reads as follows:

"(d) Article 16. The Japanese indicated that disposition of Japanese assets in neutral countries might cause difficulty in the Diet. Mr. Allison cautioned, however, that Japan should not lose the good-will that this provision was intended to gain for Japan by protesting too strongly against such disposition. Mr. Iguchi said that the explanation previously given by Mr. Sebald to the effect that Soviet Russia was co-trustee of these assets had been very helpful and that the Japanese Government intended to take the position before the Diet that the issue was settled and therefore not open for debate. Mr. Allison said that the exceptions to Article 16 suggested by the Japanese were now under consideration." (Tokyo Post Files : 320.1 Peace Treaty)

Both Iguchi and Nishimura stated after handing us these comments that principal desire of Japan is for early signature of treaty and that US shld not consider Jap comments as barrier to this desire. I believe serious consideration shld be given to provisions of para 2, Article 14 to determine whether or not Jap's point can be met, although it is quite evident Jap's will make no real difficulty even if we do not meet any of their desires.

At same mtg Jap's gave us memo ⁵ concerning practical problems connected with political, econ and cultural relations concerning the inhabitants of the islands to be placed under trusteeship which they request us to consider but which is stated specifically is "not intended as a request nor modification of the principles stipulated in the peace treaty".

Brief memo ⁶ also was handed over repeating earlier Jap request that US consider issuance at time of peace treaty signing of some declaration concerning fate of Jap nationals still detained in USSR and China.

We were also given four copies of detailed Jap study of installations and facilities in use by Allied Occupation Forces ⁷ for consideration by officials studying terms of administrative agreement. One copy will be retained in PolAd, one copy made available to SCAP, and I will bring two copies back with me. [Allison.]

SEBALD

⁵ "Concerning the Islands to be Placed under Trusteeship," undated, not printed. (694.001/7-951)

⁶ Not found in Department of State files.

⁷ A two-page "Survey of Installations and Facilities in Use by the Allied Forces," July 2, not printed, is annexed (with other documents of Japanese origin concerning the Administrative Agreement) to a memorandum of August 6 from Mr. Fearey to Mr. Allison, also not printed. (Lot 54 D 423)

Tokyo Post Files : 320.1 Peace Treaty

*Memorandum by the Deputy to the Consultant (Allison) to the Japanese Vice Minister of Foreign Affairs (Iguchi)*¹

[Tokyo, undated.]

There is given below the text of a suggested statement that might be made by the Japanese Government with respect to fishing matters:

In order that there shall be no misunderstanding, the Japanese Government confirms that Japan's voluntary declaration in respect

¹ The source text is a copy which is attached to a letter of July 4, not printed, from Mr. Clutton to Mr. Sebald. The memorandum was handed to Mr. Iguchi some time between June 29 and July 2.

of fishing conservation contained in the Prime Minister's letter of the 7th February 1951 to Mr. John Foster Dulles, the Special Representative of the President of the United States, was intended to embrace fishery conservation arrangements in all parts of the world. The Government of Japan will in accordance with the above-mentioned letter be prepared as soon as possible after restoration to it of full sovereignty to enter into negotiations with other countries with a view to establishing equitable arrangements for the development and conservation of fisheries which are accessible to the nationals of Japan and such other countries. The Government of Japan reaffirms that in the meantime it will as a voluntary act, implying no waiver of its international rights, prohibit Japanese nationals and Japanese registered vessels from carrying on fishing operations in presently conserved fisheries in all waters, where arrangements have already been made either by international or domestic act, to protect the fisheries from over-harvesting and in which fisheries Japanese nationals or Japanese registered vessels were not in the year 1940 conducting operations.

(Mr. Nishimura of the Foreign Office states that the Japanese Government has been planning to release this statement to the press on July 10, 1951.)²

² It is not known whether this last sentence was on the memorandum as handed to Mr. Iguchi.

694.001/7-351 : Circular telegram

*The Secretary of State to Certain Diplomatic Offices*¹

SECRET

WASHINGTON, July 3, 1951—4 p. m.

9. June 14 Draft Jap Peace Treaty airpouched June 19 shld be revised as fol if recd, otherwise immed on receipt, and held pending further instrs:²

1. Change date of draft to July 3, 1951.
2. Art 1. Add "as provided for in Art 23".

¹ This telegram was sent to the Embassies in Australia, Burma, Canada, Ceylon, France, India, Indonesia, the Netherlands, New Zealand, Pakistan, the Philippines, the U.S.S.R., the Republic of China, and the Republic of Korea.

² In telegram 10 (not printed) to certain diplomatic offices, sent July 3 to all the Embassies listed in footnote 1 above, save those in the Republics of China and Korea, the Department stated that the treaty text would be distributed to the Washington Embassies of the respective powers. The telegram included the text of a covering note, which in part requested comment on the treaty by July 20, stated that the draft would be circulated informally to Allied nations less closely concerned with the war on July 9, and said it was planned to publish the July 3 draft on July 12. (694.001/7-351) For the text of Mr. Dulles' press statement of July 11, see Department of State *Bulletin*, July 23, 1951, p. 132. An accompanying draft (beginning on the same page) which purports to be that circulated in the days following July 3, incorporates changes in addition to those listed in telegram 9. A draft dated July 3 is in Lot 54 D 423.

3. Art 3. Add "sole" before "administering auth", and strike out the words fol "North Lat" first sentence and substitute "the Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island".
4. Art 6. Substitute "all occupation forces" for "all armed forces".
5. Art 8(a). Insert after "concluded" and after "arrangements" in first sentence the words "by the Allied Powers".
6. Art 8(b). Substitute "Conventions" (Plural) for "Convention".
7. Art 9. Delete note.
8. Art 12(d). After "external financial position" strike out comma and fol words to and including "security interests" and substitute "or balance of payments (except in respect to shipping and navigation), or on the need to maintain its essential security interests,".
9. Art 12. Delete note.
10. Art 14(a). Substitute "It is recognized" for "The Allied Powers recognize".
11. Art 14(a) (1). Strike out "interference with the econ reconstruction of Jap and".
12. Art 14 (a) (2) (I). Strike "at any time between Dec 7, 1941 (in respect of Chi the date shall be July 7, 1937) and" and substitute "on".³ Also omit comma after "Treaty".
13. Art 15(a). Strike "In cases where such property cannot be returned," and substitute "In cases where such property was within Jap on Dec 7, 1941, and cannot be returned".
14. Art 16. Strike "with any of the Allied Powers, to the Internatl Red Cross" and substitute "with any of the Allied Powers, or the equivalent of such assets, to the Internatl Comite of the Red Cross". Add at end of Art 16 "The categories of assets described in Art 14(a) (2) (I) (ii) through (v) of the present Treaty shall be excepted from transfer. It is equally understood that the transfer provision of this Article has no application to the 19,770 shares in the Bank for Internatl Settlements presently owned by Jap Financial Institutions."
15. Art 21. Strike "Arts 10 and 14" and substitute "Arts 10 and 14(a)2".
16. In last para first Declaration insert "(a)" before "Convention on Internatl Civil Aviation" and add at end of para "and (b) the Convention of the World Meteorological Org signed at Washington under date of Oct 11, 1947".

Recopy draft to embody these changes and stand ready present to FonOff if and when instructed but not otherwise.

ACHESON

³ In telegram 26 to London, July 2, drafted by Mr. Dulles, the Department had stated in part in explanation of this change: "This involves adoption of the language of the UK draft of Apr 7, 1951 and eliminates the change which was made at our suggestion but which on further consideration we think seriously objectionable because the effect wld be that Allied Power such as the Phil and Indonesia might claim right to seize any Jap merchant ships which had at any time during the past ten years been within their territorial waters." (694.001/7-251)

694.001/7-551 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET PRIORITY

WASHINGTON, July 5, 1951—4 p. m.

Topad 14. For Sebald from Dulles. Reurtel 50 [42], July 5.¹ Pls inform Yoshida or Iguchi on strictly confidential basis San Francisco probably will be selected for Jap Peace Treaty signing conference because 1) some fifty countries are at war and shd make peace and we cannot ask them to send delegations to Tokyo but must consider their convenience in location readily accessible to their ambassadors and plenipotentiaries; 2) our Internatl Conference Div advises mechanical steps of organizing conference with translators, interpreters, and like facilities will take two mos if held in the US and much longer if elsewhere; 3) my prior discussion with Yoshida had not indicated any desire for Tokyo.² [Dulles.]

ACHESON

¹ In this telegram Mr. Sebald had reported that "all strata" of the Japanese people increasingly favored Tokyo as the site for the signature of the peace treaty and had concluded: "Wld you have any objections if prior to announcement I were to inform Yoshida or Iguchi on confidential basis giving best reasons possible for selection San Francisco?" (694.001/7-551) In July President Truman had selected San Francisco as the site of a conference to sign the Japanese Peace Treaty, to convene about September 3.

² See the memorandum by Mr. Fearey of a conversation held in Tokyo, April 18, p. 985.

In telegram 56, from Tokyo, July 7, Mr. Sebald stated in part:

"In conveying info reftel to Yoshida I recd impression he somewhat relieved signing wld not take place Tokyo stating that in his opinion lack of facilities here and difficulties appropriately receiving large numbers delegations wld present almost insurmountable task for Japanese Govt. Believe, however Yoshida's reaction exceptional and not generally shared by Japanese officials and public." (694.001/7-751)

694.001/7-651 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET PRIORITY

WASHINGTON, July 6, 1951—5 p. m.

Topad 23. Dulles, Allison, and UK Chargé have today completed delivery July 3 draft Embs FEC countries minus China and USSR and plus Indonesia and Ceylon. Copy being sent Sov Emb today. Draft covered by memo reading as follows:

[Here follows the covering memorandum.]

You will have noticed in Depcirtel 9 July 3¹ that in accordance Jap Govt suggestion in its Observations of July 2² Italian Treaty

¹ *Ante*, p. 1174.

² Not printed, but see telegram 14 from Tokyo, July 2, as annotated, p. 1171.

language has been substituted in Art 14 (a) 2(I) so that Allies may now only seize Jap property which on coming into force of treaty was subj their jurisdiction. Exception (iv) will exclude from seizure Jap ships in Allied territorial waters at that precise time. UK has agreed to change, subj only to reservation it may wish propose some amendment this language if judgment expected in two weeks in case now before Brit courts throws in doubt hitherto assumed right of UK Custodian Enemy Property under Art 79 Ital Treaty to liquidate property which was Ital-owned and so was vested in Custodian during war with Italy, but which was transferred by Ital owner to a nonenemy owner before treaty came into effect.

You will also have noticed Art 15 (a) revised in manner which shd largely meet similar Jap desires this Art. Obligation to restore Allied property in Jap at any time between Dec 7, 1941 and Sept 2, 1945 remains but obligation to compensate for lost or damaged property is restricted to property within Jap on Dec 7, 1941.

Fact that Jap assets in neutral and ex-enemy countries to be transferred ICRC under Art 16 do not include categories of assets described in Art 14 (a) 2(I) (ii) through (v) is clarified in second sentence that Art, also in accordance Jap proposal.

Consideration other Jap suggestions not completed but possibility adoption some of them July 20 draft not excluded.

Pls provide Jap Govt immed July 3 text (being June 14 text as revised in accordance Depcirtel 9) and, for info, covering memo quoted above, acting in conjunction Clutton if he desires.

ACHESON

694.001/7-651 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

CONFIDENTIAL PRIORITY

TOKYO, July 6, 1951—8 p. m.

Topad 50. For Allison from Sebald. Clutton states UK desires amend proposed Jap declaration on fishing by deleting a redundant second sentence of draft you prepared and gave Iguchi¹ and by altering third sentence. Clutton states he is not authorized to commit Commonwealth Govts. New draft as agreed to by UK reads as follows:

"In order that there shall be no misunderstanding, the Japanese Government confirms that Japan's voluntary declaration in respect of fishing conservation contained in the Prime Minister's letter of the seventh February 1951 to Mr. John Foster Dulles,² the special representative of President of the United States, was intended to embrace fishery conservation arrangements in all parts of the world. Pending

¹ Undated, p. 1173.

² For text, see Department of State *Bulletin*, February 26, 1951, p. 351.

the conclusion of negotiations with other countries for the establishment of equitable arrangements for the development and conservation of fisheries which are accessible to the nationals of Japan and such other countries, the Government of Japan reaffirms that it will, as a voluntary act implying no waiver of its international rights, prohibit Japanese nationals and Japanese registered vessels from carrying on fishing operations in presently conserved fisheries in all waters where arrangements have already been made either by international or domestic act, to protect the fisheries from over-harvesting and in which fisheries Jap natls or Jap registered vessels were not in the year 1940 conducting operations".

I have informed Clutton and Jap that revision is being studied and wld appreciate their holding any public statement until study completed. Since Jap propose issue statement on July 10, your comments desired soonest.

SEBALD

694.001/7-651 : Telegram

*The Secretary of State to the Embassy in Manila*¹

SECRET

WASHINGTON, July 6, 1951—8 p. m.

83. Allison and UK Chargé today delivered to Phil Amb July 3 draft Jap Peace Treaty with covering memo (See Depcirtels 9² and 10,³ July 3). Amb was advised that FonOff cld get this July 3 draft and covering memo from you to save time and expense of cable. Accordingly pls deliver July 3 text (being June 14 text as revised in accordance with Depcirtel 9) and covering memo to FonOff, acting in this matter in conjunction with UK Amb if he desires.

In your presentation⁴ you shld emphasize para (a) of Art 14 proposed especially for Phil benefit; that "it is recognized" has been substituted for "the Allied Powers recognize" at beginning Art 14 (a), also especially to meet Phil views;⁵ and that "interference with econ

¹ Telegram drafted by Mr. Fearey and cleared by, among others, Mr. Allison.

² *Ante*, p. 1174.

³ Not printed, but see footnote 7 below.

⁴ In the course of telegram 202, from Manila, July 13, not printed, Ambassador Cowen stated that he had upon receipt of telegram 83 promptly informed Minister Romulo of its substance. (694.001/7-1351)

⁵ In telegram 2263, June 29, from Tokyo, marked "For Dulles from Allison," the latter had stated:

"In addition to eliminating phrase on interference with econ reconstruction of Japan from reparations clause, believe Phil concurrence wld be made easier if beginning clause is amended to eliminate the words 'the Allied powers recognize' and change them to read 'it is recognized, etc.' This wld to some extent meet Romulo's contention that Japan rather than the Allied powers shld recognize the justice of reparations, but it also retains the implication, inasmuch as both Japan and the Allies in effect agree, that Japan lacks capacity to pay and at the same time meet other obligations. In giving draft this Art to Jap I have used above language but told them this was not exact quotations of draft but only paraphrase, so that it wld be possible to go back to original language if desired." (694.001/6-2951)

reconstruction of Jap and" has been deleted from 14 (a) 1 in further effort satisfy Phil. US considers that it has gone to great lengths to meet Phil position on this issue and can go no further.

For use at your discretion Dept finds Romulo's letter of June 15 to Dulles and accompanying Dept of Fon Affairs memo⁶ to be little more than a restatement of previously expressed arguments with certain added details and refinements. While purporting to rest on objective analysis, major proposals are totally unrealistic and, if accepted, wld wreck the treaty and all it is hoped to accomplish.

As regards security proposals, placing Formosa and Pescadores under UN trusteeship cld only increase danger Phil profess to fear most—their transfer to Chi Commie control by action of pro-Chi Commie General Assembly majority. Proposals UN supervise Jap education for 25 years and intervene to ensure supremacy civil over mil auth are almost naive in their impracticality and inconsistency with actual requirements coming period. Enduring attachment Jap to peaceful and democratic ways cannot be legislated or compelled but must arise from experience advantages these ways through friendly, equal and profitable association with free world nations. Basis for enduring cooperation Jap and other friendly nations lies in constructive recommendations of type advanced by John D. Rockefeller III, who accompanied Dulles to Jap in Jan-Feb this year to study means of strengthening Jap cultural ties with Free World.

Phil assumption all other Allies wld waive their reparations claims and the US its GARIOA claim so Jap will be free meet Phil claims alone is absurd. While proposal that reparations payments be exclusively in kind and vary each year in accordance Japan's ability to pay avoids some of more obvious Versailles faults, program as a whole overlooks really fundamental lessons to be drawn from Versailles experience and pays no heed to econ problems faced by US in Jap in endeavoring to ensure Jap security from Sov domination, in spite of obvious consequences Japan's incorporation in Sov bloc wld have for Phil security.

[Here follows detailed comment on the Philippine reparations proposal.]

For your general guidance it is not anticipated that there will be further changes in July 3 text except on style or minor points which obviously wld not be objectionable to anyone. Therefore do not encourage response to invitation to make further observations by July 20.⁷

ACHESON

⁶ Neither printed. (Lot 54 D 423)

⁷ In circular telegram 10, the Department had enclosed a covering memorandum (to the July 3 draft) which had in part stated to those governments which

Footnote continued on following page.

694.001/7-751 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

CONFIDENTIAL PRIORITY

WASHINGTON, July 7, 1951—noon.

Topad 28. From Allison. Reurtel 50, July 6 concerning UK amendment fishing declaration. We cannot approve suggested revision particularly beginning phrase of second sentence reading "Pending the conclusion of negotiations". A literal interpretation of this phrase might enable other govts to postpone conclusion of negotiations and hence leave Jap morally obligated to live up to obligations of declaration indefinitely. See no reason why terms of declaration as outlined Yoshida's letter are not sufficient. US is willing accept them and we have as great, if not greater, interest in this problem than other nations. Terms used in original letter, "In the meantime asterisk", while admittedly vague as to exact meaning are subject to reasonable interpretation which presupposes mutual good faith and US reluctant agree extending scope of Jap declaration as desired by UK. However, shld Jap see no objections or practical disadvantage in phrase US willing withdraw objections.² [Allison.]

ACHESON

Footnote continued from preceding page.

were to receive the draft that, should they wish to make any comments or submit amendments, the United States and the United Kingdom were proposing to circulate formally a revised draft by July 20. (694.001/7-351)

In telegram 120, from Manila, July 10, Ambassador Cowen reported in part that he had that morning discussed the July 3 treaty draft with Mr. Romulo. "Romulo was concerned only with reparations clause but was bitter in his denunciation of failure of drafters to recognize Phil position. He said he did not see how Phil govt cld associate itself with para *a* of Art 14 that states Japs lack capacity to pay but at same time permits Phils to attempt seek reparations after agreeing to Jap incapacity." The Ambassador mentioned also that Mr. Romulo later in the day had told Mr. Harrington he was considering resigning over the issue. (694.001/7-1051)

¹ Cleared with, among others, Mr. Dulles.

² Mr. Sebald replied in telegram 81 from Tokyo, July 9, that in light of the considerations set forth above Mr. Clutton had stated his government was willing to accept Mr. Allison's earlier draft of this declaration. (694.001/7-951) Text of the latter is printed, p. 1173.

694.001/7-751 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

CONFIDENTIAL

Tokyo, July 7, 1951—6 p. m.

Topad 64. For Allison from Fraleigh. Re Mistel 38 July 6. Yoshida considers best method handling treaty compensation provision is by ltrs from him to Mr. Dulles tentatively worded as fols:

"In connection with conversations which we have had about compensation for the loss of or damage suffered by property in Japan owned by Allied powers or Allied natls, I am glad to advise you as follows:

"The Jap Govt believes that if it takes voluntary measures for adequate settlement of this problem, such action will serve to contribute toward the establishment of good will between the Allied powers and their natls and Japan and the Jap people. Accordingly, it is the intention of the Jap Govt to take steps for enacting a law toward that end as soon as practicable. Its contents are indicated in the draft of an Allied powers property compensation law enclosed herewith. I hope and trust that it will meet satisfactorily the desires of all the Allied powers and their natls concerned."

Jap agreeable to fol tentative wording of Art 15 (a) of draft treaty in respect this matter: "Has suffered injury or damage, compensation will be made on terms not less favorable than those contained in the draft Allied powers property compensation law mentioned in the Jap Govt's communication dated July (date of above ltr) 1951."

Yoshida willing to forward such ltr after approval by Cabinet on July 10. He desires text of draft law not be made public until shortly before its submission to Diet, probably in Sept. Nishimura suggests outline of law may be made public in Japan prior that time and is aware text of draft law will be shown interested govt and portions of law might be shown interested individuals.

Your comments on ltr and above procedure desired soonest.

Arriving Washington July 9 with full details. [Fraleigh.]

SEBALD

Dulles Papers

The Consultant to the Secretary (Dulles) to Prime Minister Yoshida of Japan

[WASHINGTON,] July 9, 1951.

MY DEAR MR. PRIME MINISTER: Minister Allison has brought me your note of July 2.¹ I greatly appreciate what you say. We worked hard, and I think with all the success that could be anticipated, to secure agreement on peace terms which will be fair and just and restore Japan to a position of equality and dignity in the free world.

I have followed with interest the local elections and welcome your assurance regarding ratification of the peace treaty. I think it impor-

¹ In this handwritten note in English, the Prime Minister had expressed appreciation for the Consultant's "efforts & works for the cause of the peace" and had stated: "There is no fear for the passage of the Peace Treaty through both houses of the Diet." In conclusion he had said American capital was needed for "our trade balance" and for the development of Japanese industry, particularly the exploitation of hydroelectric resources. (Dulles Papers)

tant that ratification should be by a large non-partisan majority, if at all possible. I hope we shall have a strong bipartisan delegation to the peace conference and a large bipartisan support in the Senate.

I note what you say about foreign investments. It is, as you suggest, not a subject with which I have any official responsibility but I shall bear in mind what you say. I have, naturally, a sympathetic interest in seeing the peaceful economy of Japan progressively developed.

We have now, as you know, made plans for the signing of the peace at San Francisco the first week of September. I hope you will not close your mind to the possibility of coming yourself, at least for a day or two.

With kind regards, I am

Sincerely yours,

JOHN FOSTER DULLES

694.001/7-951

Memorandum of Conversation, by the Officer in Charge of Korean Affairs in the Office of Northeast Asian Affairs (Emmons)

SECRET

[WASHINGTON,] July 9, 1951.

Subject: Japanese Peace Treaty

Participants: Dr. Yu Chan Yang, Korean Ambassador
Ambassador John Foster Dulles

Mr. Robert A. Fearey, FE

Mr. Arthur B. Emmons, 3rd., Officer in Charge,
Korean Affairs

The Korean Ambassador called on Ambassador Dulles at 11:30 this morning by prior appointment. Ambassador Dulles opened the conversation by handing Ambassador Yang the text of the latest draft of the Japanese peace treaty.¹ He explained to the Ambassador that this draft should be considered Secret until its publication. He also stated that the Department would instruct Ambassador Muccio to make a copy of the draft available right away to the ROK Government.

Ambassador Dulles pointed out to the Korean Ambassador that the ROK Government would not be a signatory to the treaty, since only those nations in a state of war with Japan and which were signatories of the United Nations Declaration of January 1942 would sign the treaty. He pointed out, however, that Korea would benefit from all of the general provisions of the treaty equally with other nations.

Ambassador Yang expressed his surprise that the ROK would not be included as a signatory, and protested that the Korean Provisional

¹ July 3.

Government had, in fact, been in a state of war with Japan even for many years prior to World War II. He stressed that there had been a Korean division in China which had fought against the Japanese and that a declaration of war against Japan had been made by the Korean Provisional Government. The Korean Ambassador therefore, considered on this basis that Korea should be a signatory. Mr. Fearey pointed out that the United States Government had never given recognition to the Korean Provisional Government.²

The Korean Ambassador then asked whether the Island of Tsushima was to be given to Korea under the terms of the treaty, stating that Tsushima properly belonged to Korea. Ambassador Dulles took exception to this statement and pointed out that Japan had been in full control of Tsushima for a very long period of time; the treaty therefore did not affect the present status of Tsushima as a minor Japanese island.

Ambassador Yang then asked whether the treaty included provisions which would restrict Japanese fishing in waters in the vicinity of the Korean peninsula, pointing out that this matter had already been a source of friction between Korea and Japan, which boded no good for future Korean-Japanese relations. He stated that some 34 fishing vessels had recently been intercepted and arrested by the ROK Navy while fishing in waters beyond the so-called MacArthur Line.³ Dr. Yang stressed the vital importance to the Korean economy of controlling such unrestricted Japanese fishing activities in waters close to Korea.

² An unsigned memorandum (possibly prepared by Mr. Fearey) of May 9, titled "Comments on Korean Note Regarding U.S. Treaty Draft," had dealt in part with a Korean contention that Korean signature of the Japanese Peace Treaty would be justified by the precedent of Polish signature of the Treaty of Versailles. "On examination Korea's case for participation in the treaty does not gain much support from the example of Poland after World War I. The Polish National Committee set up in Paris in 1917 under Paderewski was 'recognized' and dealt with by all the principal western Allies. . . . The U.S. and other major powers, on the other hand, deliberately refrained from recognizing the 'Provisional Government of Korea' as having any status whatsoever during World War II. The fact that that government declared war on Japan, and that Korean elements, mostly long time resident in Korea [China?], fought with the Chinese forces, would therefore have no significance in our view." (Lot 54 D 423)

The Korean note mentioned in the title to the memorandum has not been found in Department of State files.

³ In the memorandum cited in footnote 2 above, the section on the "MacArthur Line" reads as follows: "The position that Japanese fishermen be permanently excluded from the fishing grounds on the Korea side of the 'MacArthur Line' even exceeds the demands of our West Coast fishing people, and would in fact be far more serious for the Japanese fishing industry. The Korean demand should be denied for its direct effects and, even more, because of the precedent it would set. Contrary to the impression conveyed by the Korean Government's note, no nation had any bilateral treaties with Japan before the war excluding Japanese fishing vessels from high seas areas adjacent to other nations."

Ambassador Dulles replied that the treaty did not include provisions which would govern fishing in specific high seas areas and that to have included such provisions would have meant a very serious delay in the conclusion of the treaty, since there were many national fishing interests concerned. He explained that the treaty, as such, could not be permitted to become an international fishing convention for the Pacific but that it did contain provisions for the negotiation of bilateral or multilateral fishing agreements with Japan. Ambassador Dulles emphasized that the Department had been under considerable pressure from various quarters, including United States and Canadian fishing interests, to write specific restrictions on Japanese fishing into the treaty, but that in the interest of getting the treaty through as quickly as possible this pressure had been resisted in every instance.

In further connection with the fishing question, Ambassador Yang raised the point that, if Japan were to be allowed to re-arm, there would not be any future guarantee that control over fishing or other international problems, including the general security of the area, could effectively be exercised over Japan. Ambassador Dulles then discussed the undesirability of a restrictive treaty, pointing out that restrictions in the past, as for instance at Versailles, had inevitably resulted in their becoming a challenge to the country upon which they were imposed and a psychological target for national opposition. He believed that more subtle methods of control would be more effective, pointing out that the United States would have troops in Japan and that the United States and other Pacific nations could control the flow of raw materials into Japan and the level of its war-making potential. He added that the United States and the other Pacific nations were fully alive to the danger inherent in a resurgence of Japanese military strength and were determined to control this danger through all of the extensive means at their disposal; in so doing the security interests of Korea would naturally be a factor. Ambassador Dulles also referred to the threat presented by Russian attempts to win Japan away from the West and stated that from this point of view a moderate and workable treaty with Japan was most desirable.

Mr. Emmons suggested that the Korean Ambassador might be interested in the provisions of the treaty which dealt with bilateral negotiations between Japan and other interested Powers on such collateral questions as high seas fishing. Ambassador Dulles read the Korean Ambassador pertinent sections of the treaty dealing with this question.

In closing the conversation Ambassador Yang expressed his desire to have an opportunity for further discussions with Ambassador Dulles, presumably after receipt of instructions from his Government.

694.001/7-651 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET

WASHINGTON, July 9, 1951—8 p. m.

18. Reurtel 33, July 9.² Regret impossible now delay publication of July 3 draft on July 12, 3:30 p. m. London DST, Washington 10:30 a. m. DST. Many govts in many places are involved and Morrison has scheduled concurrent statement to Parliament.

We continue desirous do all possible handle with regard for Natl Govt. We do not object that Govt making statement clarifying its position and see no reason why FonMin shld not concurrently announce that Chi Govt plans negotiate bilateral treaty along lines similar to multilateral with earlier date for beginning of China war, but we wld urge that statement to be made now shld not specify "coming into force same time". We wld think in fact bilateral cld be discussed shortly fol signature multilateral and with view to its coming into force shortly after coming into force of multilateral if as suggested Deptel 10, July 6, there were some definition of implications so far as Jap concerned so that it wld put treaty relations on a realistic basis related to *de facto* power of Natl Govt rather than upon highly artificial assumption of power to bind all China to peace, a result which Koo has repeatedly disclaimed.³

We have emphasized to Koo that timing in relation to China-Japan bilateral might well be influenced by this consideration. We have been discussing with Koo since July 3⁴ possible formula and

¹ Telegram drafted by Mr. Dulles. Repeated to the U.S. Political Adviser's Mission in Tokyo as Topad 39.

² This telegram (in part) follows:

"Specifically FonMin desires be in position announce at time July 3 treaty text made public that Chinese Govt plans undertake negots for bilateral treaty along lines similar multilateral and coming into force same time.

"FonMin assures me bilateral treaty project not yet discussed with Japanese since prior US agreement essential. However, he learns from reliable sources Japanese now plan await coming into force of multilateral before 'choosing' which China they will deal with. Since only US 'encouragement' cld prevent such action FonMin feels decisive consideration in Dulles-Koo discussions is whether US willing provide necessary encouragement. If so, is statement . . . above satisfactory to us and can he be assured Japanese will not repudiate it? If not, he again requested urgently publication July 3 draft be delayed until Dulles-Koo reach agreement." (694.001/7-951)

³ In telegram 10, drafted by Mr. Dulles, the Department has stated in part: "Since Chi Amb [V. K. Wellington Koo] has himself expressed doubt regarding ability his Govt to provide ratification which wld bind all China, we have asked him to consider whether his Govt wld, at time of signature of bilateral, accept some defined qualification of its power and if so, what wld that qualification be. We pointed out that this might facilitate and expedite China-Japan bilateral but also that it might embarrass Natl Govts position in the UN and its organs. We have had no reply on this point but expect to continue talks." (694.001/7-651)

⁴ Mr. Dulles' memorandum of his talk held July 3 with Ambassador Koo, not printed, is in Lot 54 D 423.

are now awaiting positive suggestions. Until, however, this point is further developed we wld think that Natl Govt wld be wiser not to be so precise as to "coming into force" as suggested by urtel 33. We apprehend this might lead Allied Powers which recognize Chi Peoples Govt to exert themselves to block result forecast before the other Allied Powers are in a position to put forward their best case.

ACHESON

Lot 54D423

*The Consultant to the Secretary (Dulles) to the Secretary of
Defense (Marshall)*

SECRET

WASHINGTON, July 10, 1951.

MY DEAR MR. SECRETARY: There is enclosed herewith for your approval or comment the draft of the United States-Japan Security Treaty which, it is intended, shall come into force simultaneously with the coming into force, between the United States and Japan, of the Treaty of Peace.

This draft has been coordinated informally with the Departments of State and Defense and has been shown to representatives of the Japanese Government who have indicated that it is acceptable.

The Senate Foreign Relations Committee and the House Foreign Affairs Committee have been kept generally informed as to the contents of this proposed Treaty and they have indicated general approval. I have also discussed the draft informally with the Chairman and Ranking Minority Member of the Senate Armed Services Committee who indicated their general approval of the Treaty but who also felt that prior to signature there should be an Executive Session of the Senate Armed Services Committee at which the Department of Defense would acquaint the Committee of the military aspects of the implementation of the Treaty. Probably there should be a similar hearing before the House Armed Services Committee.

I would appreciate therefore the prompt receipt of any comments you may care to make and thereafter I will get in touch with you with reference to setting up such Congressional Committee hearings as may be appropriate.

I am

Sincerely yours,

JOHN FOSTER DULLES

[Enclosure]

Draft

SECRET

JULY 10, 1951.

U.S.-JAPAN SECURITY TREATY

PREAMBLE

Japan has this day signed a Treaty of Peace with the Allied Powers. On the coming into force of that Treaty, Japan will not have the effective means to exercise its inherent right of self-defense because it has been disarmed.

There is danger to Japan in this situation because irresponsible militarism has not yet been driven from the world.

The Treaty of Peace recognizes that Japan has the right to enter into collective self-defense arrangements and the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defense.

In exercise of these rights, Japan desires, as a provisional arrangement for its defense, that the United States, which is one of the Allied Powers, should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

The United States, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defense against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.

Accordingly:

1. Japan grants, and the United States accepts the right, upon the coming into force of the Treaty of Peace and of this Treaty, to station United States land, air and sea forces in and about Japan. Such disposition would be designed to contribute to the security of Japan against armed attack from without, including assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside Power or Powers.

2. During the exercise of the right referred to in Article 1, Japan will not grant, without the prior consent of the United States, any bases or any rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, to any third power.

3. The conditions which shall govern the stationing of armed forces of the United States in and about Japan shall be determined by administrative agreements between the two Governments.

4. This Treaty shall expire whenever in the opinion of the Governments of the United States and of Japan there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

5. The present Treaty shall be ratified by the United States and Japan and will come into force when instruments of ratification have been deposited by them with the Government of the United States.

694.001/7-1051 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET PRIORITY

WASHINGTON, July 10, 1951—8 p. m.

25. Dulles has just concluded conference with Koo. Latter asked for postponement date of publication draft treaty. This we pointed out more impossible than ever as draft already in hands of Press. Koo further asked immed US pressure on Jap Govt to bring it at once to negotiate Bilateral with Natl Govt. Dulles pointed out that condition precedent to US discussing problem with Jap would be knowledge of whether Natl Govt would be willing to recognize that conclusion of Bilateral treaty would be qualified so that to make it clear that while Jap was acting to make peace with a legitimate govt which had declared war on it and which possessed a measure of *de facto* authority, Jap was not thereby committed to recognize Natl Govt authority to bind all of Chi to an actual state of peace with Jap.

Jap might see difficulty, which [we?] could hardly remove, in acceptance of fiction and we would not want to seem to press Japan to a course of conduct which would be difficult to defend.

We do not of course want to put ourselves in the position of advising the Natl Govt to accept any qualification of its governmental authority which might embarrass it elsewhere. All we can do is to point out that ability to be helpful along the lines suggested by it would be increased under some such formula as Koo and Dulles have been discussing. Natl Govt must on its own responsibility weigh the advantages and disadvantages and make the decision.

For your strictly confidential info Koo told Dulles he had suggested and recommended a formula to his govt but his govt has so far rejected it. He did not tell us precisely what this formula was.

Koo emphasized usefulness of early discussion of some kind with Jap Govt. In this connection we pointed out that Art 4 multilateral treaty would require the Jap Govt to negotiate with the Natl Govt as "the authority presently administering" Formosa and Pescadores,

¹ Telegram drafted by Mr. Dulles.

and that perhaps there might usefully and properly be preliminary discussions along these lines.

ACHESON

694.001/7-1151 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET

TOKYO, July 11, 1951—noon.

Topad 95. For Dulles from Sebald. Iguchi has told me of his efforts, so far without success, to convince Yoshida that latter shld head Jap delegation to San Francisco.¹ In response to Iguchi's plea for my assistance I pointed out that while I personally wld like see Yoshida sign treaty, this clearly a matter for sole determination by Jap Govt and it wld be inappropriate for me interfere.

I consider it highly desirable for internal polit reasons Yoshida head Jap treaty delegation and suggest for your consideration that you may wish address personal communication to Yoshida perhaps telling him of progress made toward finalization treaty and ending on some such note as "I hope it will be possible for you come San Francisco attend historic event where I wld look forward meeting you again".

SEBALD

¹ In telegram 85 from Tokyo, July 10, the Mission had reported in part: "Increasing indications PriMin does not desire to sign treaty and choice San Francisco provides good opportunity delegate task." (694.001/7-1051)

694.001/7-1251 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)¹

CONFIDENTIAL

NIACT

WASHINGTON, July 12, 1951—5 p. m.

Topad 53. From Dulles. Reurtel 105, July 12.² Great complexity of proposed legis on property compensation makes it in our opinion essential that draft treaty shld deal with it as an accomplished fact rather than as something prospective which each Allied Power wld feel duty-bound to study as though it were an annex to treaty. If matter presented in latter light most govts wld no doubt demand further time for study by their legal advisers and it wld seriously

¹ Repeated to London as number 248.

² In this telegram the Mission in part had reported learning that the United Kingdom could accept Mr. Yoshida's suggested method of handling the compensation legislation only if the Prime Minister's letter could be made public at the time of release of the treaty text, "presumably now July 20." (694.001/7-1251) (For the Japanese proposal, see telegram 64 from Tokyo, July 7, p. 1180.)

disrupt our program for signing conference first week Sept. In order therefore to permit July 20 draft to refer to something that has actually been done we must ask that the Jap Cabinet shld promulgate decision that compensation will be provided according to terms of draft bill. This promulgation shld be identifiable so as to permit draft treaty to read "Compensation will be made in accordance with draft Allied Powers Property Compensation Law approved by the Jap Cabinet on Jul *blank*". Cabinet action should be taken soonest to permit incorporation foregoing in July 20 draft which must be prepared in advance. Realize this may be inconvenient and not in accordance with usual practice but if Jap Govt wants Treaty signed early Sept they will have to stand ready to meet emergency conditions by what may be exceptional action.³

Above being rptd London for its info with request that FonOff communicate to Clutton any comments. [Dulles.]

ACHESON

³ In telegram 121, from Tokyo, July 14, Mr. Sebald reported that he had reported the substance of this message to the Government on the 13th, with the result that the Prime Minister had immediately called a special cabinet meeting. A cabinet decision had been reached along lines suggested in telegram 53, i.e., the draft compensation legislation and the suggested amendment of Article 15(a) had been approved. However, the United Kingdom had requested delay in public announcement of the decision. (694.001/7-1451)

694.001/7-1151 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald)

SECRET

WASHINGTON, July 12, 1951—5 p. m.

Topad 54. For Sebald from Dulles. Reurtel 95, July 11.¹ We see no embarrassment in letting Jap Govt know it wld create painful impression if Jap Del at San Francisco is not of top rank. Most of the Allied Powers feel they are making great sacrifice by accepting treaty now envisaged and they wld consider that their attitude shld be reciprocated by a Jap del which wld exclude any impression of reservation on the part of Jap. Unless you see objection, pls therefore deliver fol personal msg to Yoshida from me:

"Am glad to tell you, for your strictly confidential info, that President proposes to appoint as principal delegates to San Francisco the SecState and myself and Senator Connolly, Chairman of the Senate Fon Relations Comittee and Senator Wiley, Ranking Republican Member of that Comittee. Alternate delegates will be other Senators and Reps including Chairman of the House Foreign Affairs Comittee. All of them have been confidentially consulted and have accepted to

¹ *Ante*, p. 1189.

act. Under these circumstances and having regard for the liberal character of the proposed treaty, I venture to hope that your govt will be represented by a del which can fully and on highest authority voice at San Francisco the determination of Japan hereafter to live with others in peace as good neighbors. I use these words, taken from the Preamble to the Charter of the United Nations, because the Jap Peace Conference will be held at San Francisco where the UN was born and where the ideals of that Charter will be applied to the fashioning of our peace. I think it essential that we all do what we can to make this an outstanding historic occasion. I realize fully the heavy responsibilities that rest upon you in Jap but I greatly hope that you will find it possible personally to attend at San Francisco, as no other Jap voice would be adequate. I believe that in coming you will make a major contribution to the great goals toward which we have worked together. I may add that it wld personally give me great satisfaction to renew at San Francisco our Tokyo acquaintance."

Further Dulles to Sebald. I hope matters will work out so that you also can be at San Francisco. [Dulles.]

ACHESON

694.001/7-1251 : Telegram

*The Secretary of State to the Embassy in the Philippines*¹

CONFIDENTIAL

WASHINGTON, July 12, 1951—6 p. m.

PRIORITY NIACT

145. Dulles to Ambassador. I regret extremely difficult situation you have to deal with as regards Jap reparation. As of possible assistance I recapitulate fol facts:

1. Over five years of experience with Jap's economy through SCAP led to firm conclusion of SCAP and his staff that Jap cld not pay any further reparation. Fact US during this period had itself to put up about two billion dollars to maintain viable economy and prevent spread of Communism there is concrete evidence sincerity this view. Therefore, our Mar draft of Peace Treaty made no provision whatever for any future Jap reparation.

2. As result representations by Phil Govt with great reluctance and doubt we altered our position so that June 14 draft contained Allied recognition of principle of reparation for damage and suffering caused by Jap during war and also incorporated in substance formula of Ital Peace Treaty for reparation by Ital industrial activity for countries which had been attacked, occupied and devastated by Italy. However, in further zeal to facilitate position of Phil Govt we eliminated two major safe-guards contained in Ital Treaty: namely, (1) the dollar ceilings, which in Ital Peace Treaty were very low, e.g. 25 million for Ethiopia; and (2) provision that the arrangement cld only operate for five years.

¹ This telegram was drafted by Mr. Dulles and cleared in draft by Secretary Acheson personally.

3. After this draft was discussed by Allison at Manila in June we made two further changes. We eliminated a third protective qualification which was contained in the Ital Treaty, namely "avoid interference with econ reconstruction". We also changed beginning of Art so as to require Jap to recognize the reparation principle instead of such recognition being attributed merely to the Allied Powers. There was no such recognition by Italy.

We feel we have met Phil viewpoint just as far as is possible and perhaps we have gone too far. Certainly we have gone much further than the principal Allied Powers went to meet comparable position of Albania, Ethiopia, Greece and Yugoslavia under Ital Peace Treaty.

FYI SCAP is seriously concerned as to effect upon Jap's economy of what we have done and if what we have done is not acceptable to Phil Govt we wld feel that we ought to reincorporate at least some of limitations of Ital Peace Treaty, particularly that which limits the operation of the Art to five years.

We realize you have to deal with a situation that is emotional and that probably no rational appeal can be expected carry weight, but I felt that it might be useful to recapitulate what has taken place as above. We hope that sober second thoughts will prevail, but our own position is one which we believe to be completely defensible and which we are not afraid to submit to the judgment of our public opinion here at home if unhappily that shld become necessary.

We feel that Phil Govt is gravely at fault in not having informed its public opinion about great efforts we have made to meet Phil situation.² [Dulles.]

ACHESON

² In the course of telegram 202, from Manila, July 13, not printed, Ambassador Cowen stated he had seen Mr. Romulo immediately on receipt of telegram 145 but gave no further description of his presentation or the Minister's reaction to it. (694.001/7-1351)

694.001/7-1351

The Acting Secretary of Defense (Lovett) to the Secretary of State

TOP SECRET

WASHINGTON, July 13, 1951.

DEAR MR. SECRETARY: I am forwarding herewith for your information and consideration a copy of a memorandum from the Joint Chiefs of Staff, dated 11 July 1951, regarding the Japanese Peace Treaty with declarations appended thereto. A copy of this memorandum was forwarded informally to the State Department on 11 July.

With respect to Paragraph 3c of the memorandum of the Joint Chiefs of Staff, I share their view that the security interests of the United States will be jeopardized unless there is some provision that the bilateral security arrangement becomes effective simultaneous

with any Japanese Peace Treaty. This is particularly true with respect to the operations in Korea. I believe that the documents relating to the Japanese Peace Treaty should be strengthened to include some assurances that the Japanese Government will simultaneously ratify the Peace Treaty and the bilateral security arrangement with the United States.

I shall make further recommendations to you in connection with the views of the Joint Chiefs of Staff concerning the use of Japan as a base in the Korean operation or in a war other than the Korean operation in my comments on the text of the bilateral treaty, which you submitted on 10 July to the Department of Defense for comment.¹ The Joint Chiefs of Staff and the Joint Secretaries have this matter under consideration.

Faithfully yours,

ROBERT A. LOVETT

[Enclosure]

TOP SECRET

WASHINGTON, 11 July 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Japanese Peace Treaty and Declarations Appended Thereto.

[Here follows comment by the JCS regarding the language of the proposed Declaration by Japan regarding war graves.]

3. The following are the comments and recommendations of the Joint Chiefs of Staff relative to the 3 July 1951 draft² of the proposed Peace Treaty, as amended:

a. It does not make provision for preventing the signing of the Treaty by China. In this connection, the Joint Chiefs of Staff note that the Secretary of State in his letter to you of 28 June 1951³ has stated that he confirms "that China will not be permitted to sign this treaty." The Joint Chiefs of Staff appreciate this assurance inasmuch as they consider it to be essential that Communist China not sign the Japanese Peace Treaty;

b. Article 21 accords to China the benefits of Articles 10 and 14 (*a*) 2 of the Treaty. By the terms of this article, among other things, China is entitled to seize and retain all the property of Japan which is subject to its jurisdiction on the date of coming into force of the Treaty. The specific language of Article 14 (*a*) 2 and the implications thereof are not clear. In any event, the Joint Chiefs of Staff strongly object to according voluntarily to Communist China any right or benefit which that nation does not now *de facto* hold. They recommend, therefore, that Articles 21 and 14 (*a*) 2 be revised, in unmistakable terms, so as to prevent such eventuality; and

¹ See the enclosure to the letter of July 10 from Mr. Dulles to Secretary Marshall, p. 1187.

² Not printed, but see the Department's circular telegram 9 of July 3, p. 1174.

³ See footnote 1, p. 1156.

c. There is no provision in the Treaty or in related documents which would make it possible to insure that the Treaty will not come into force before the conclusion of any bilateral security arrangements between the United States and Japan providing for both a United States garrison in Japan and the United States use of Japan as a base in the Korean operation or in a war other than the Korean operation. The Joint Chiefs of Staff emphasize their view that, under present and foreseeable world conditions, the security interests of the United States would be jeopardized unless such a bilateral security arrangement becomes effective simultaneous with any Japanese Peace Treaty. Further, if the United States fails to ratify the Japanese Peace Treaty, but other nations do ratify it, the United States must use its political influence to the maximum to insure that those nations do not conclude treaties which would be detrimental to the security interests of the United States in the Far East, specifically with respect to the operations in Korea.

4. The Joint Chiefs of Staff recommend that you take such action as you deem appropriate on their comments and recommendations above, upon your ascertaining that the enclosed documents in fact represent the current views of the Department of State relative to a Japanese Peace Treaty.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

794.5/7-1351

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, [July 13, 1951.]

DEAR MR. SECRETARY: The Supreme Commander for the Allied Powers has advised the Department of Defense that progress in bringing the Japanese National Police Reserve to a state of combat effectiveness for the defense of Japan is severely restricted by the lack of qualified officers. As you know, former Japanese "career officers" are barred from holding office by a policy decision of the Far Eastern Commission. In order to meet this situation, General Ridgway has proposed certain measures which would permit the "de-purging" of a limited number of former Japanese officers. I am inclosing copies of cables¹ from SCAP to the Department of the Army in which the reasons and justifications for these proposals are set forth in full.

SCAP has proposed, first, to permit the de-purging, on an individual basis, of officers below the rank of General or Admiral who can be shown to have been opponents of Japanese totalitarianism and expan-

¹ Not printed.

sionism. He has been advised that the Department of State and the Department of the Army have no objection to a broad interpretation of the pertinent FEC directive in this respect.

Second, SCAP has proposed to effect the blanket de-purging of several thousand junior officers through an administrative interpretation of the term "career officers", as used in the FEC directive, which would exclude from the category of "career officers" those commissioned on or after 7 July 1937, the date when Japan first became engaged in major hostilities. This would be a logical extension of SCAP's previous action in which he excluded from the category of "career officers" those commissioned after 7 December 1941.

Assistant Secretary of State Rusk, in a letter of June 22, 1951,² to Assistant Secretary of the Army Johnson, has expressed the opinion that the latter proposal might appear to undermine a decision of the Far Eastern Commission and, hence, might adversely affect General Ridgway's international position as SCAP. For this reason, he suggested that the de-purging of military officers be administered on a case-by-case basis so that those officers commissioned after 7 July 1937 who actually intended to make a career of the military service would remain under the purge. This would require provision for the hearing of evidence in each individual case.

This suggestion has been fully considered. General Ridgway has stated that the procedure suggested by the Department of State would (1) release fewer persons, (2) impose an added administrative burden on both the Japanese Government and his headquarters, and (3) so delay the actual release of persons as to vitiate its value as an interim measure.

The Joint Chiefs of Staff have advised me that, in view of the urgent need to provide an immediate source of competent officers for the Japanese National Police Reserve, they consider that it is vitally important for the United States to concur in SCAP's proposal with the least practicable delay. I concur with the views of the Joint Chiefs of Staff as to the necessity for this action. I also wish to express my agreement with General Ridgway in his view that the proposed definition of "career officers" is not inconsistent with the spirit and intent of the FEC decision.

Accordingly, I hope that you may be able to indicate your concurrence in this proposal as soon as possible.³

Faithfully yours,

G. C. MARSHALL

² *Ante*, p. 1137.

³ For further documentation on this topic, see the memorandum of September 4, by Robert J. G. McClurkin, (by then) Deputy Director of the Office of Northeast Asian Affairs, to U. Alexis Johnson, p. 1328.

694.001/7-1551 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

CONFIDENTIAL PRIORITY

Tokyo, July 15, 1951—6 p. m.

Topad 123. For Dulles. Under date July 12 Jap Govt has submitted fol "observations" on July 3 draft treaty :

Begin text : 1. Art 3.

Your attention is requested to (a) of our observations dated 4 April, 1951.¹ While "Nansei Islands" includes all islands south of 29 degrees north latitude, "Ryukyu Islands" do not.

2. Art 4.

First sentence para *a* wld seem properly to read as stated in our observations dated July 2, 1951, since "... property ... of such authorities and residents against Jap and its natls ..." wld make no sense.

3. Art 14.

Proviso of (a) 2 (1) V ("provided that this exception shall only apply to obligations of Jap and its natls expressed in Jap currency") seems to refer only to first part of this para ("obligations of Jap for Jap natls"). If so proviso might better be placed immed after words to which it refers.

4. Art 15.

Suggested that in last part of para A, "in cases where such property was within Jap on Dec 7, 1941, and cannot be returned or has suffered injury or damage, compensation will be made in accordance with law No . . ." words "as a result of the war" be inserted after "damage". These words are found in corresponding sentence of Art 78, 4 (a), of Ital peace treaty and wording will also conform to provisions of draft compensation law.

5. Art 16.

In first sentence, there is passage, "... Jap will transfer its assets and those of its natls in countries which were neutral during war, or which were at war with any of allied powers, or equivalent of such assets, . . .". Insertion herein of words "or equivalent of such assets" is construed to mean that, in lieu of transfer of those assets of Jap and its natls which now exist, equivalent thereof may be transferred if govt so desires. It is not considered to mean that if assets which were owned previously by Jap and its natls in such countries are impossible of transfer in their *status quo ante* for certain causes (subsequent decrease in value, use in Jap interest, etc.), Jap shld transfer equivalent thereof. It is suggested word "existent" be inserted between "its" and "assets".

6. Art 17.

Requirements of first sentence have mostly been put into practice during the occupation, as stated in our observations given July 2, 1951.² Purport will become more clear if defining term "if it has not done so" is added.

7. Art 21.

¹ Telegram Topad 1750, p. 960.

² Not printed; however, see telegram 14, from Tokyo, July 2, as annotated, p. 1171.

This art entitles Chi to benefits of Art 14 (a) 2. It may be pointed out that benefits are counterpoised by waiver of claims by allied powers under para (b) of same art. Korea is entitled to benefits of Arts 9 and 12. Art 9 envisages desire of allied powers to conclude an agreement. Art 12 envisages allied powers themselves according Jap most-favored-nation treatment or natl treatment. In other words, these provisions envisage existence of a counterpart on part of allied powers. The govt believes that such will be case with Chi and Korea. Therefore, with re to Art 14, it is believed more advisable either to include (b) in referring to this art or to drop Art 14, (a) (2). Phraseology of Art 21 seems to leave room for misunderstanding.

8. Declaration concerning international instruments. Regarding para 1: *a.* Contemplated therein that Jap declares she recognizes full force of all presently effective multilateral international instruments to which she was party on Sept 1, 1939. Jap Govt believes such declaration shld be confined to multilateral international instruments of nonpolitical character. Otherwise such treaties as Nine Power Pact³ and Four Power Pact of 1922⁴ wld be recognized as in full effect, which wld be contrary to actual situation. *b.* With regard to participation in certain international instruments, there is passage to effect that if such participation involves membership in an international org, provisions of the present para shall take effect upon Jap re-admission to membership in org concerned. So far as Jap Govt aware, there is no international org of which Jap was member as of Sept 1, 1939 and has ceased to be member thereafter. Accordingly, sentence beginning with "Where, however," might be deleted.

Re para 2:

The Govt is entirely willing to accede to all international instruments herein mentioned. However, some are voluminous (e.g., international convention relating to economic statistics with protocols, convention on safety of life at sea, conventions for protection of war victims). Some require domestic legislation or its amendment in advance (e.g., international convention relating to simplification of customs formalities, convention on safety of life at sea, conventions for protection of war victims). Therefore, it is actually impossible to complete procedure of accession to all of these in such cases within six months of coming into force of treaty of peace. It is hoped that term will be defined as "within the shortest practicable period".

Re para 3:

The govt will willingly participate in international orgs mentioned therein. It is hoped, however, that term will be defined as "within the shortest practicable period", for same reason as mentioned in reference to para 2 above.

9. Declaration concerning war graves.

a. This declaration concerns a matter of humanity, which requires no discriminatory treatment as between victor and van-

³ For the Treaties between the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal, signed at Washington, February 6, 1922, see TS Nos. 723 and 724 or *Foreign Relations*, 1922, vol. I, pp. 276-287.

⁴ For the text of the Treaty between the United States, the British Empire, France, and Japan, signed at Washington, December 13, 1921, see *ibid.*, pp. 33-37, or TS No. 669.

quished. It is hoped that feelings of Jap people will be taken into consideration. It wld be appreciated if declaration cld be made jointly, by adding that allied powers also intend to treat in a proper manner graves and cemeteries of Jap war dead in their territory, or at least if a passage which may read "The Jap Govt expects that the allied powers will treat in a proper manner the graves and cemeteries of Jap war dead in their territory" cld be added in this para.

b. Words "allied and associated powers" and "allied or associated power" used in declaration shld be "allied powers" or "allied power". *End text.*

SEBALD

694.001/7-1651 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*¹

SECRET PRIORITY

WASHINGTON, July 16, 1951—7 p. m.

Topad 75. Dulles informed Ital Chargé² Jul 10 in conversation re Italy's participation in Jap Peace Treaty we do not deem it appropriate for former Axis partner to be put in position of victor over another Axis partner. Pointed out that in our opinion Japan wld desire conclude mutually satis treaty with Italy generally along same lines as multilateral treaty and said we wld consider what steps wld be most appropriate bring about desired result.

Dening³ today informs us UK FonOff concurs these observations to Itals and further feels it is important to our objectives in Italy that US and UK act promptly to dispel public resentment at Ital exclusion from Jap settlement so that Ital Govt will not be pushed into strong public position in conflict with ours. FonOff suggests US and UK govts inform Ital Govt they are prepared extend their good offices for negot mutually satis Ital-Jap bilateral peace settlement.

Dulles indicated importance we attach to avoiding antagonizing Jap public by putting Italy in role of victor, for essentially same reasons it is important avoid antagonizing Ital public. Dening was also informed we concur in FonOff estimate importance of prompt action to relations with Italy, and subj your comments inclined agree with FonOff we shld suggest or offer good offices. Also pointed out that for maximum effect in Italy offer shld be made and released for pub prior Jul 20 when invitations will be issued San Francisco Conf. May be desirable include in offer and public announcement specific ref to inclusion in Italo-Jap settlement of provision for satis Ital claims

¹ Telegram drafted by Joseph N. Greene, Jr., of the Office of Western European Affairs.

² Presumably Mario Luciolli.

³ Sir Esler was in Washington July 16-20 for consultations regarding the multilateral peace treaty with Japan.

re property treated by Japan as enemy property after Ital Armistice 1943.⁴

Request your comments urgently.

ACHESON

⁴ In telegram 413, to London, July 18, drafted by Mr. Greene and Mr. Dulles, the Department stated in part it was informing the Italian Chargé the United States was prepared, in cooperation with the United Kingdom, to extend its good offices for the negotiation of a Treaty of Peace between Italy and Japan which would be in harmony with the draft multilateral treaty and which would provide a mutually satisfactory settlement of property and other questions which had arisen out of the war in the Far East. (694.001/7-1851) Documents in file 694.001 for 1951 indicate that France also became associated with the offer of good offices.

In telegram 126, to Tokyo, July 26, drafted by Mr. Greene, the Department reported it had learned informally that Italy wished either to sign the multilateral treaty or to terminate the war in an exchange of notes with Japan (of which the text would be previously agreed with Washington), leaving specific questions for later negotiation but explicitly stating that on all outstanding questions the Japanese Government would apply the same provisions specified in the multilateral treaty. (694.001/7-2651) The latter approach materialized; for further documentation, see telegram 571, from Tokyo, September 17, p. 1351.

694.001/7-1851: Circular telegram

*The Secretary of State to Certain Diplomatic Offices*¹

CONFIDENTIAL PRIORITY WASHINGTON, July 18, 1951—5 p. m.

57. Fol changes shld be made immed in July 3 Jap treaty draft. Instrs further steps fol by separate cable.²

Date: Change to "July 20, 1951"

¹ Telegram sent to the Embassies in Australia, Burma, Canada, the Republic of China, France, India, the Netherlands, New Zealand, Pakistan, the Philippines, the United Kingdom, the U.S.S.R., Argentina, Belgium, Bolivia, Brazil, Ceylon, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Greece, Guatemala, Haiti, Honduras, Indonesia, Iran, Iraq, Liberia, Mexico, Nicaragua, Norway, Panama, Paraguay, Peru, Saudi Arabia, Turkey, the Union of South Africa, Uruguay, Venezuela, Yugoslavia, Poland, and Czechoslovakia, and to the Legations in Syria, Luxembourg, and Lebanon, USPOAd and Tokyo.

² Invitations to the San Francisco Conference, together with two copies of a treaty draft dated July 20, were presented to the Washington Embassies of all the powers listed in footnote 1 on that day. For text of the invitation, which in part solicited comments and announced the intention of the Sponsoring Powers to issue a final treaty text on August 13, see Department of State *Press Releases*, 1951, No. 649, July 20.

The texts of the treaty itself and of two declarations to be signed by Japan were sponsored by both the United Kingdom and the United States. An accompanying protocol was a proposal of the United Kingdom only, and the invitation to the San Francisco Conference was issued by the United States only. Mr. Allison, in a memorandum of his conversation held with Sir Esler Dening upon the latter's arrival in Washington, July 16, stated in part that Sir Esler had requested that reference to the United Kingdom as a co-extender of the invitation be deleted from a draft invitation on the ground that it was more appropriate for the United States alone to invite other countries to meet at San Francisco. (694.001/7-1651)

Title: Change to "Draft Treaty of Peace with Japan"

Preamble: Place semicolon after "between them" and, beginning new para, substitute "Whereas Japan for its part declares its intention" for "and will enable Jap to carry out." Delete "org" in "UN Org". Change "agreed" to "determined" in last para of Preamble.

Art 3: Delete "the Ryukyu Islands south of 29° north latitude" and substitute "Nansei Shoto south of 29° north latitude (including the Ryukyu Islands and the Daito Islands)".³

Art 4(a): Substitute for first sentence the fol:

"The disposition of property of Jap and of its natls in the areas referred to in Arts 2 and 3, and their claims, including debts, against the auths presently administering the areas referred to above and the residents (including juridical persons) thereof, and the disposition in Jap of property of such auths and residents, and of claims, including debts, of such auths and residents against Jap and its natls, shall be the subj of special arrangements between Japs and such auths.

Insert in second sentence after "returned" the phrase "by the administering auth."

Art 5: Place comma after "state".

Art 7(a): Substitute "continue" for "keep" in first sentence. In second sentence substitute "be considered as having been contd in force or revived" for "resume their force".

Art 8(b): Substitute "Treaty of Peace with Turkey signed at Lausanne on July 24, 1923" for "Treaty of Lausanne of July 24th, 1923".

Art 12(b) (ii): Substitute "imported goods" for "imports" at beginning of para.

Art 13(b): Delete "with an Allied Power".

Art 15: Delete second sentence of note.

Art 16: Revise clause first sentence to read "or, at its option, the equivalent of such assets".

Art 18(b): Substitute "into negots" for "on negots" and "to facilitate" for "will facilitate" in both concluding clauses.

Art 23(a): Substitute "The present Treaty" for first "it" in last sentence.

Art 24: Insert "each" before "such deposit".

Second Declaration: Delete words "and Associated" and words "or Associated" where they appear.

³ In a memorandum of July 13 to Mr. Fearey, Mr. Samuel W. Boggs, Special Adviser for Geography in the Office of the Special Assistant for Intelligence and Research, had suggested this language in deference to Japanese wishes. He had concluded: "This would introduce the term 'Nansei Shoto', which is analogous to the 'Nanpo Shoto' in the succeeding clause, and it is consistent with present Japanese usage. I understand that in Japanese usage 'Nansei Shoto' would include the Daito Islands, but that 'Ryukyu Islands' would not. I would suppose that if the above proposed change were suggested to the Joint Chiefs of Staff, they would readily agree when we explain that it means in our minds exactly the same as the present wording, and is certainly clearer to the Japanese and to many people of the general public." (694.001/7-1351)

Alter dates throughout draft to employ Amer form exclusively, for example, Dec 7, 1941.

ACHESON

694.001/7-1851 : Telegram

*The Secretary of State to the Embassy in the United Kingdom*¹

CONFIDENTIAL

WASHINGTON, July 18, 1951—8 p. m.

419. Art 16 draft Jap Peace Treaty now contains note stating Jap assets in Thailand subj to further consideration. These assets, amounting approx equivalent ten million dols, presently held various ways: in sterling in London, in baht held by Thai pending disposition, in baht in Thailand in US-UK joint custody, and in dols New York in US-UK custody. US and UK have long been considering disposition.² UK favors disposal some assets for benefit UK and Dominions, with remainder to Red Cross under Art 16. US desires release these assets for Siam's disposition, thereby equating Siam with liberated countries such as Indonesia which are permitted to utilize Jap assets for own purposes for fol reasons: (1) Thai good record payment US-UK war damage claims; (2) Thailand occupied by enemy and liberated even as Indonesia; (3) Thai strong stand against Communism by providing ground troops Korea, recognizing Vietnam, Laos and Cambodia, opposing Chinese Commie regime and declaring it aggressor, supporting US aims in UN and (4) Thai strategic importance in holding back Communism in SEA.

Necessary to eliminate note to Art 16 and settle this question promptly. In discussions with Dening, US proposed elimination of note to Art 16 and substitution therefor sentence "Owing to its complicated nature, the disposition of assets of Japan and its nationals in Thailand has been determined by an agreement of (blank date) 1951. Japan recognizes such disposition." Dening, who appeared more appreciative polit importance of Thailand in Southeast Asia than Brit technical people, stated he wld cable suggestion to FonOff. Unless, however, problem brought home on polit level, doubtful Brit reaction wld be favorable. It wld be anticipated that, if suggestion met with Brit favor, US and UK wld, within next few weeks, conclude agreement, which wld be satis informally to Thailand, disposing of various categories of assets. Such disposition, it is anticipated, wld meet Brit and Commonwealth national interests re categories to which they have laid claim. Bulk of assets held by Siamese alone wld be released

¹ Repeated to Bangkok as number 170.

² Record of previous talks between the United States and the United Kingdom on this issue is not printed. Documentation is contained primarily in decimal files 292.4141, 292.9441, and 694.001, and in Lot 54 D 423.

to Thailand. Perhaps some contribution by Thailand to Red Cross wld be feasible.

Pls approach FonOff immediately, requesting favorable consideration US proposal, emphasizing necessity at this time maintaining Thailand's active cooperation with UK and US against Communism.³

ACHESON

³ For the result of the U.S. proposal, see the memorandum by William M. Gibson, Deputy Director of the Office of Philippine and Southeast Asian Affairs, to Mr. Rusk, August 10, p. 1254.

694.001/7-1951

*Memorandum of Conversation, by the Officer in Charge of Korean Affairs in the Office of Northeast Asian Affairs (Emmons)*¹

SECRET

[WASHINGTON,] July 19, 1951.

Subject: Japanese Peace Treaty

Participants: Dr. Yu Chan Yang, Korean Ambassador

Mr. Pyo Wook Han, First Secretary, Korean Embassy
Ambassador John Foster Dulles

Mr. Arthur B. Emmons, 3rd., Officer in Charge, Korean Affairs

The Korean Ambassador called upon Mr. Dulles at 2 o'clock this afternoon by prior appointment. In opening the conversation Dr. Yang presented Mr. Dulles with a note addressed to the Secretary (copy attached) raising certain points which the Korean Government wished to have considered for incorporation in the Japanese peace treaty.

After reading the Ambassador's communication, Mr. Dulles discussed the three points contained therein. With regard to the first point, Mr. Dulles was in doubt that the formula confirming Japan's renunciation of certain territorial claims to Korea could be included in the treaty in the form suggested by the ROK. He explained that the terms of the Japanese surrender instrument of August 9, 1945 did not, of themselves, technically constitute a formal and final determination of this question. He added, however, that the Department would consider including in the treaty a clause giving retroactive effect to the Japanese renunciation of territorial claims to August 9, 1945. The Korean Ambassador replied that if this were done he believed that the point raised by his Government would be met satisfactorily.²

¹ An unsigned marginal note reads in part: "Approved by Mr. Dulles."

² In a note of August 10, to the Korean Ambassador, Mr. Rusk, on behalf of the Secretary of State, stated in part: "The United States does not feel that the Treaty should adopt the theory that Japan's acceptance of the Potsdam Declaration on August 9, 1945 constituted a formal or final renunciation of sovereignty by Japan over the areas dealt with in the Declaration." (Lot 54 D 423)

Mr. Dulles noted that paragraph 1 of the Korean Ambassador's communication made no reference to the Island of Tsushima and the Korean Ambassador agreed that this had been omitted. Mr. Dulles then inquired as to the location of the two islands, Dokdo and Parangdo. Mr. Han stated that these were two small islands lying in the Sea of Japan, he believed in the general vicinity of Ullungdo. Mr. Dulles asked whether these islands had been Korean before the Japanese annexation, to which the Ambassador replied in the affirmative. If that were the case, Mr. Dulles saw no particular problem in including these islands in the pertinent part of the treaty which related to the renunciation of Japanese territorial claims to Korean territory.³

In regard to paragraph 2 of the Ambassador's communication, Mr. Dulles assured the Ambassador that it was the intention of the United States to extend protection to the Republic of Korea with respect to any Japanese claims concerning vested properties in Korea. He said that the Department would study this question but that at the moment he could not foresee that this would involve any particular difficulty.⁴

With reference to paragraph 3 of the communication, Mr. Dulles stated that he could say right off that it would be impossible to meet the Korean request for inclusion in the treaty of a delimitation of high-seas fishing areas pointing out that the United States had been under great pressure from many countries and also from American fishing interests to make the treaty, in effect, a fishing convention for the Pacific. He went on to explain that to do so would open up a whole area of conflicting interests and claims which would greatly complicate the writing of the treaty. He pointed out, however, that this did not preclude negotiation of a series of bilateral or multilateral agreements on fisheries with Japan following the conclusion of the treaty.

Mr. Dulles remarked that very frankly the Department was surprised and greatly disturbed at the strong language which the Korean Ambassador had used in a press statement on July 18⁵ in which warn-

³ In the document cited in footnote 2 above, Mr. Rusk continued: "As regards the island of Dokdo . . . this normally uninhabited rock formation was according to our information never treated as part of Korea and, since about 1905, has been under the jurisdiction of the Oki Islands Branch Office of Shimane Prefecture of Japan. The island does not appear ever before to have been claimed by Korea." (Korea had in the meantime withdrawn the claim to Parangdo.)

⁴ In telegram 130, to Pusan, August 11, drafted by Mr. Dulles, the Department stated: "Final text Jap Peace Treaty now being composed. To meet Korean viewpoint Art 4 being rewritten to include requirement that Japan recognize validity of dispositions of property of Japan and Japanese nationals made by or pursuant to directives of US Military Govt in areas referred to in Arts 2 and 3. Further Art 21 rewritten to give Korea benefit Art 4." (694.001/7-2751)

⁵ Not here printed. A copy is in Lot 54 D 423.

ings were uttered against accepting the Japanese into association with the peace-loving nations of the world in full faith and confidence. Mr. Dulles pointed out the difficulty and delicacy of the position of the United States in its efforts to obtain a reasonable and satisfactory treaty with Japan, a matter of great significance to all Pacific nations, and stressed the importance, in this matter, of Korean understanding and cooperation; while the United States understood and sympathized with the Koreans in their difficult relationship with Japan and while the Ambassador undoubtedly was acting under instructions from his Government, Mr. Dulles pointed out that such statements did not help matters.

The Korean Ambassador stated that there were some 800 thousand Koreans in Japan who were being very much discriminated against by the Japanese Government. The reason for this, he believed, was that Japan still rankled over the loss of Korea and was determined to take it out on such Koreans as might still be under Japanese control. Mr. Dulles suggested that many of these Koreans were undesirables, being in many cases from North Korea and constituting a center for Communist agitation in Japan. He believed, therefore, that probably a legitimate Japanese fear of certain of these Koreans was involved in any action taken against them by the Japanese authorities.

Mr. Dulles asked the Ambassador what, in his opinion, was the reason why the United States is advocating a liberal and non-restrictive treaty with Japan, knowing that we had only recently fought Japan at great cost and that we were most concerned with the future structure of peace in the Pacific.

Dr. Yang replied that he assumed that our motivation in writing such a treaty was because of the inherent friendship of the American people for the rest of the world. The Ambassador wished to stress, however, the Koreans had suffered tremendously over a period of many years at the hands of the Japanese, that while the Koreans wished to live in peace with Japan and demanded no reparations, they felt that once a treaty was signed, Korea would be at the mercy of a resurgence of Japanese economic strength which would make the future security of Korea a most serious problem; unless the United States were willing to exercise its powerful influence to control Japan, Korea would inevitably lapse into a poor bargaining position in its future relations with Japanese because of the preponderance of power which would rest with the latter.

Mr. Dulles explained that, far from being afraid of the future economic and military strength of Japan, American experts were now

worried about the problem of even establishing viability in Japanese economic life, that the grave danger, both to Korea and to the other nations of the Pacific, was that Japan, because of weakness, might ultimately fall under Communist domination and that it was with this in mind that the United States believed it essential to leave Japan free to rebuild its peace time economy. He pointed out that since the Japanese would be dependent to a very great degree on imports of raw material from abroad, this fact in itself would constitute an effective form of control over Japan's resurgence.

The Ambassador then referred to the great moral and psychological disadvantage to the Korean people in not being considered a member of the Allied Powers which had fought Japan and which would sign the treaty. He emphasized that under the so-called Korean Provisional Government the Koreans had been fighting the Japanese for many years even prior to World War II and that they felt they had won for themselves the right to a place at the peace table. Mr. Dulles replied that some qualifying test obviously had to be established for those who would sign the treaty in order to provide a reasonable formula under which the treaty could be written, and that many Allied Nations besides the United States had also believed that only those countries which had signed the 1942 Declaration of the United Nations should be signatories to the Treaty. To include Korea, whose government had been established only in 1948, would be to open up a considerable area of possible disagreement which would complicate getting the treaty through and would bring into the picture several other nations which considered their claims to be signatories to be as valid as those of the ROK. He wished to assure the Ambassador that this limitation did not in any sense reflect a lack of United States interest or complete sympathy with Korea or any intent derogatory to the ROK, but emphasized rather that we regarded Korea with great solicitude and sympathy.

The Korean Ambassador again expressed the fear that the net result of a lenient treaty with Japan, in which Korea did not participate, would be to expose her to great difficulties in the future; despite American assurances of our interest in the maintenance of good Korean-Japanese relations, the United States at some point might well relax this interest and Korea would then be exposed to undue pressure from Japan unless a stricter treaty were put into effect to which Korea would be a signatory. To illustrate his point, he referred to the fact that Japanese fishing vessels were crossing the so-called MacArthur Line into Korean waters even while SCAP was still in authority in

Japan, and that the Koreans wondered what would happen when SCAP's control over the Japanese had been removed. Dr. Yang suggested that the Koreans might feel differently if the United States would assume responsibility for the future defense of Korea, and he wondered whether such a treaty of defense could not be worked out.

In concluding the conversation the Korean Ambassador jocularly suggested that if Korea were accorded the full status of a signatory to the treaty, he thought that the ROK could perhaps drop its insistence upon having the points raised in paragraphs 2 and 3 of his communication included therein. Mr. Dulles replied that he could not undertake to agree that any such arrangement could be made but that he would give sympathetic consideration to all of the points raised by the Korean Ambassador.

[Attachment]

The Korean Ambassador (Yang) to the Secretary of State

WASHINGTON, July 19, 1951.

YOUR EXCELLENCY, I have the honor to present to Your Excellency, at the instruction of my Government, the following requests for the consideration of the Department of State with regard to the recent revised draft of the Japanese Peace Treaty.

1. My Government requests that the word "renounces" in Paragraph *a*, Article Number 2, should be replaced by "confirms that it renounced on August 9, 1945, all right, title and claim to Korea and the islands which were part of Korea prior to its annexation by Japan, including the islands Quelpart, Port Hamilton, Dagelet, Dokdo and Parangdo."

2. As to Paragraph *a*, Article Number 4, in the proposed Japanese Peace Treaty, my Government wishes to point out that the provision in Paragraph *a*, Article 4, does not affect the legal transfer of vested properties in Korea to the Republic of Korea through decision by the Supreme Commander of the Allied Forces in the Pacific following the defeat of Japan confirmed three years later in the Economic and Financial Agreement between the Republic of Korea and the United States Military Government in Korea, of September 11, 1948.

3. With reference to Article 9, my Government wishes to insert the following at the end of Article 9 of the proposed Peace Treaty, "Pending the conclusion of such agreements existing realities such as the MacArthur Line will remain in effect."

Please accept [etc.]

YOU CHAN YANG

694.001/7-1151 : Telegram

*The Secretary of State to the Embassy in India*¹

CONFIDENTIAL

WASHINGTON, July 19, 1951—7 p. m.

165. ReDeptel 81, July 11.² Dulles has had reply from Morrison re approach to Nehru on Jap Peace Treaty. UK fully agrees importance securing India's participation but considers approach Nehru shld be made at later date. Morrison points out cease-fire negots in Korea and possibility that Dalai Lama may repudiate recent Sino-Tibetan Agreement³ are likely reinforce Nehru's unwillingness commit himself at once to signing treaty with Jap which Chi Commie Govt likely denounce as illegal. Morrison considers there is reasonable chance India will sign multilateral treaty but he feels it important not give impression we wish rush India into taking precipitate decision. Morrison states personal message to Nehru from Attlee might be helpful at "a later stage when the Govt of India has had every opportunity to study draft treaty in detail".

Denning tells us general feeling is best results can be obtained by having Nye⁴ on return from consultations in London approach Nehru. This will be about same time as distribution of final draft of treaty. Dept will keep you informed but unless instructed otherwise believe matter shld be left in abeyance for time being.

ACHESON

¹ Telegram drafted by Mr. Allison. For information on the general context of discussions between the United States and India concerning a Japanese peace treaty, see the memorandum of August 29 by William L. S. Williams of the Office of South Asian Affairs, p. 1302.

² Telegram 239, to London, marked "Personal msg from Dulles to Morrison," had been repeated to New Delhi as number 81. It was drafted by Mr. Dulles with the approval of Loy W. Henderson, Ambassador to India, then in Washington for consultations. In it Mr. Dulles had stated that the most important immediate task ahead was to assure Indian participation in the peace treaty. In such case Indonesia and Burma would almost surely follow India and the treaty would no longer be primarily a peace of the Western powers with Japan. If Mr. Attlee were sending Mr. Nehru a personal communication on the subject, the United States would like to know when, so as to concert its own efforts most effectively in relation to those of the United Kingdom. (694.001/7-1151)

³ Documentation on Tibet is scheduled for publication in volume VII.

⁴ Lt. Gen. Sir Archibald Edward Nye, High Commissioner of the United Kingdom in India.

694.001/7-1951 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET NIACT

Tokyo, July 19, 1951—7 p. m.

Topad 140. For Dulles from Sebald. Re urtel 54, July 12.¹ Iguchi has just informed me in strictest confidence that Yoshida after audi-

¹ *Ante*, p. 1190.

ence with Emperor this morning has agreed to head Jap delegation. On two previous occasions and again today I have stressed to both Yoshida and Iguchi how necessary it is that Jap be represented by strongest possible delegation including if possible several alternates to give broad base to delegation attending conference.

Iguchi assured me PriMin fully aware this concept but is somewhat diffident voice actual selections until invitation attend San Francisco conference is received. I assume it is Dept intention invite Jap at approximately same time as invitations to Allies. While question of timing perhaps not of major importance, receipt of invitation wld nevertheless give lift to Jap morale and strengthen Yoshida's hand in selection individual members his delegation.

SEBALD

794.5/4-2651

*Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State*¹

TOP SECRET

[WASHINGTON,] July 20, 1951.

Subject: Arming the Japanese Coastal Patrol.

Problem: Action to be taken to strengthen the coastal security of Japan.

Proposal of the Department of Defense

The Department of Defense on April 26, 1951,² requested the Department of State to review its position regarding the utilization of Japanese forces adequately armed for defense and the maintenance of internal security with a view to formulating a policy, to be approved by the President, which would enable SCAP to provide adequately for the security and defense of Japan. It was pointed out that the depletion of the occupation forces in Japan has created a situation in which the internal security of the islands and the security of the occupation forces may be seriously threatened. In particular the JCS proposed the enunciation of the following policy:

"In view of the radically changed conditions and the increased need to insure the security of Japan, the Supreme Commander for the Allied Powers is authorized to provide appropriate armament for coastal patrol vessels of the Maritime Security Board."

or as alternative if the above would provide too vulnerable a target for USSR propaganda:

¹ Memorandum drafted by U. Alexis Johnson and cleared by, among others, Mr. Dulles. Submitted to the Secretary through Francis E. Meloy, Jr., Assistant to the Director of the Executive Secretariat.

² Secretary Marshall's letter to Mr. Acheson is not printed.

"In view of the radically changed conditions and the increased need to insure the security of Japan, the Supreme Commander for the Allied Powers is authorized to establish and operate a coastal security force for the Japanese islands, composed of vessels with appropriate armament and speed which will be manned by Japanese."

Subsequent to this communication, the Commander-in-Chief Far East Command strongly recommended that the second of these statements be adopted since "adoption of this policy would permit establishment of security force under direct SCAP military control". It has, therefore, been suggested informally by representatives of JCS that this statement of policy be amended to read as follows:

"In view of the radically changed conditions and the increased need to insure the security of Japan, a Japanese-manned coastal security force composed of vessels with appropriate armament and speed should be established and operated in waters contiguous to the Japanese islands."

This suggested wording has been informally discussed on the working-level in the Navy and it is believed that the clearer and specific wording set forth below may be acceptable to Defense:

"In view of the radically changed conditions and the increased need to insure the security of Japan, the Supreme Commander for the Allied Powers is authorized to establish a Japanese-manned coastal security force organized and equipped along normal Coast Guard lines composed of vessels with appropriate armament and speed and under SCAP operational control to be operated in waters contiguous to the Japanese islands."

Under this proposal, it is understood that this force would be set up under SCAP and operated under the control of ComNavFE.³ The vessels would be manned by Japanese, but would be under the operational control of American officers. Each vessel would carry armament appropriate only for a coastal patrol vessel. In this connection, it is noted that small craft of the U.S. Coast Guard are equipped with small arms rifles to medium calibre machine guns and automatic machine guns up to 20 mm, while intermediate craft carry all other straight armament and also heavy calibre guns up to and including 5 inch guns.

International Limitations on the Arming of the Japanese Coastal Patrol Prior to a Peace Settlement with Japan

In the Potsdam Declaration of July 26, 1945, (which was later accepted by the USSR in its declaration of war on Japan) the U.S., China and Great Britain agreed that Japan's war-making power should be destroyed; in the Basic Post-Surrender Policy for Japan

³ Vice Adm. C. Turner Joy.

of June 19, 1947, the nations composing the FEC adopted as an ultimate objective in relation to Japan, to which policies for the post-surrender period for Japan should conform, that "Japan will be completely disarmed and demilitarized." The FEC policy decision regarding Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment, February 12, 1948,⁴ provided that: "Possessions of arms, ammunition and implements of war by any Japanese should be prohibited save that the Supreme Commander may authorize the use by Japanese civil police agencies for the purpose of maintaining law and order of rifles and pistols and the necessary ammunition for them and other small arms exclusively used by civil police." When this paper was under discussion in the FEC, there was considerable discussion as to the meaning of the phrase "other small arms". At the time of the adoption of the paper the Soviet representative read the following understanding into the minutes: "The Soviet Delegation understands the term 'and other small arms' in paragraph 2a of FEC-017/21 to mean arms of non-group use and non-fragmentation or mass effect carried and used by a single person." Thereupon the U.S. Representative submitted the following for the record: "The United States Government understands that it is within SCAP's discretionary authority to interpret with what small arms he may equip the civil police and that any interpretation of the phrase 'small arms', which he may find it necessary to make in accordance with his authority under the Terms of Reference is in no way abridged by any other understanding." While the Commission reached no formal agreement as to the meaning of "other small arms", the discussion at the time indicates that with the exception of the Soviet Representative every representative was willing to permit the Japanese police to use tear gas bombs and submachine guns, if necessary. It should be noted that definition of "rifles" appeared to present no problem to the Commission.

The particular question of the Japanese coastal patrol was considered at length in the FEC as a result of the passage of the Maritime Safety Authority Bill ⁵ by the Japanese Diet. With the wisdom of hindsight, it now appears that the great majority of the members of the Commission, annoyed at SCAP's failure to inform them of this pending action, centered their fire at the possibility that the vessels of the Japanese maritime coastal patrol might be armed. Several FEC members insisted that any arms on the coastal patrol vessels—other than side arms carried by members of the crew—would violate the policies of the FEC. So apprehensive were the members of the Com-

⁴ For documentation with regard to this decision, see *Foreign Relations*, 1948, vol. VI, pp. 662-663.

⁵ Enacted April 15, 1948.

mission that the Japanese Government would establish a coastal patrol service which would violate FEC policy decisions, especially that prohibiting the possession of arms by the Japanese other than arms for the civil police, that a majority of the members of the Commission approved a paper that the Japanese should not set up or operate any coastal patrol or coast guard service until the FEC has an adequate opportunity of considering the matter. The paper was defeated by virtue of a United States veto.

In the course of these discussions the United States Representatives stated that "There is no substance to the allegation that the vessels will be armed; Personnel on ship duty will carry side arms similar to those of the civil police." He also stated that he was in complete agreement with the contention that if the boats were armed, then the law was indeed in contravention of the Commission's policy on disarmament.

Opinion of the Legal Adviser's Office

It is the opinion of the Legal Adviser's office that the only step that can be taken within the provisions of the FEC policy decisions would be to inform SCAP that his discretion is limited to authorizing the type of "small arms" appropriate for use by civil police, i.e., rifles, pistols and other such small arms. The present vessels of the Maritime Safety Board carry such arms which obviously do not permit them to deal effectively with the situations they face.

Overall Broad Policy Toward Japan

It is the view of the Department of Defense that the possible outbreak of a third world war and the natural limitations on the extent of United States power make it an urgent matter that steps be taken to develop the security potential of a future ally. Steps are now being taken to work out with the Department of Defense a paper implementing the policies set forth in NSC 48/5⁹ in regard to the timing, degree and speed with which certain courses of action are to be pursued.

The Department to date has, subject to future consultation with the Department of Defense, refused to concur in the arming of the vessels of the Maritime Safety Board, the supply of heavy armament to the Japanese National Police Reserve, the manufacture in Japan of arms, ammunition and implements of war for export to areas other than Korea, or a modification of the purge beyond that permitted by FEC decisions. This position has been based upon the facts that such action would prejudice the peace settlement which provides the basic solution to the question of maximum contribution by Japan to its own

⁹ Of May 17, 1951. For text, see p. 33.

defense and would jeopardize the validity of SCAP's position in Japan in the interim.

Although FE concurs that the establishment of a coastal security force under SCAP control is probably not permissive within a strictly legal interpretation of the FEC policy decisions, it is considered that a substantial justification can be made therefor on broad general policy grounds without incurring to the same degree the serious disadvantages of the other departures from FEC directives that have been proposed by the Defense Department.

It must be recognized that the type of equipment used by land police when used by personnel on coast guard vessels is insufficient to meet effectively the functions normally entrusted to a coast guard. The mere possession by personnel on vessels of the Maritime Safety Authority of pistols, rifles and other small arms renders this body entirely inadequate in curbing smuggling and the infiltration of hostile and subversive elements into Japan. Additionally, U.S. Naval forces are now heavily engaged in Korea, and are not in a position effectively to supplement the vessels of the Maritime Safety Authority. The FEC policy decision on the Prohibition of Military Activity in Japan and Disposition of Japanese Military Equipment was directed at the prohibition of military arms in Japan with the exception that Japanese police might possess weapons normally used by land police; rifles, pistols, and other small arms. The policy decision evidently envisaged only land police, for whom rifles, pistols, and other small arms would be adequate. Obviously, such armament is entirely inadequate for a coast guard vessel which must be prepared to deal with vessels of superior size and speed. The policy is silent on the question of a coast guard which is a normal part of any state's law enforcement agencies. Nor was a coast guard considered in the discussions on this paper.

Soviet Reactions

The reaction of the USSR to the establishment of such a force must be considered. It is clear that at the minimum the Soviets would attempt to exploit the propaganda possibilities of the situation, alleging action by SCAP and the United States to arm the Japanese in defiance of the FEC. However, because of the veto power of the U.S. in the FEC, it would not be possible for the Soviets to carry through any formal FEC disapproval of the action. The U.S. position vis-à-vis the Soviets in both the FEC and the propaganda field will, of course, be strengthened to the extent that it is possible to obtain the support of other FEC member nations. This can best be done by consultations prior to taking the action.

The question of the point at which the Soviets might consider that progress on the Japanese treaty and measures for strengthening the defenses of Japan represent such a threat to Soviet objectives in the

Far East as to require military counter action against Japan must also be considered. That is, would the establishment by SCAP of a Japanese coastal security force, taken together with all of the other developments in Japan adverse to Soviet objectives, be likely to be the decisive element in a possible Soviet decision to attack Japan in order to forestall further strengthening of Japanese defenses? Now that two U.S. divisions are stationed in Japan, it is not likely that the Soviets would conclude that any type of covert attack by "Japanese volunteers" or other elements could be successful. Therefore, the question should be considered from the standpoint of an overt Soviet attack against U.S. forces in Japan, which, in turn, would unquestionably involve full scale warfare between the U.S. and the USSR. Stated in these terms, it is evident that the Soviet decision to attack Japan could only be considered within the context of a Soviet decision to engage in war against the U.S., and that a small Japanese coastal security force could not but be a very minor element in such a decision. The possibility of the Soviets using the establishment of such a force as possibly one of several pretexts for an attack under conditions which would tend to isolate the U.S. from its allies would, of course, be minimized by the degree to which the U.S. had support for the policy from other FEC member nations.

Reactions of Other FEC Members

The development of what might be interpreted as the nucleus of a Japanese Navy might engender opposition on the part of other friendly governments in the FEC so as to prejudice their position on the signature and ratification of the Japanese peace treaty. It is to be expected that such countries as the Philippines, Australia, New Zealand, and possibly Indonesia and India will be particularly sensitive to any action that could be interpreted as a premature revival of the Japanese navy. While most of these countries have, in connection with negotiation of the Japanese peace treaty, now accepted the principle of eventual Japanese contribution to its own defense, several of them are strongly opposed to other provisions of the treaty. The whole treaty negotiation procedure is now in a very delicate state of balance and there is considerable question as to the number of FEC countries which will accept the invitation to the treaty conference and sign the treaty. In view of this situation any additional factor now introduced in the picture, although in itself of relatively minor importance, might well jeopardize some support which might otherwise be received for the treaty. In view of the short time until the hoped-for signing of the treaty and the magnitude of the issues involved, it does not seem prudent to jeopardize already precarious support for the treaty by some countries with the adoption at this time of a measure such as

this which could not, in any event, effectively assist the security of Japan until after the signing of the treaty.

These considerations would be present in a lesser degree following the signing of the treaty at which time all of the countries participating therein would have formally accepted the principle of Japanese contribution to its own defense. It is not thought that the adverse reactions would be strong or jeopardize ratification of the treaty, particularly if there is prior consultation, it is clear that the force would be under the operational control of SCAP, and the inevitable naval connotations are minimized.

Methods of Implementation

Pending further study which is now in progress, it is opinion of the Department that the policy decisions of the FEC remain effective until the treaty of peace with Japan comes into effect. Therefore, any implementation of this policy between the signing and the coming into effect of the treaty of peace must now be considered within the context of the FEC and its policy decisions, any change in which is vetoable by the USSR.

Under the terms of reference of the FEC, the U.S. Government can issue directives to SCAP only in accordance with the policy decisions of the FEC, or interim directives on matters not covered by FEC policy decisions, and all directives must be filed with the FEC. However, by the terms of reference, as well as by precedent, SCAP has very broad executive powers as the sole executive authority for the Allied Powers in Japan, and his acts can formally be questioned only by an FEC member requesting an FEC review of a directive issued or action taken by him involving policy decisions of the Commission. The U.S. is in a position to exercise its veto in the Commission so as to prevent an adverse decision on any such review.

Therefore, while the U.S. Government should not appear to be attempting to avoid responsibility for a decision which is, in fact, its own as well as SCAP's, it is considered that the policy can probably best be implemented by authorizing and supporting SCAP in the exercise of his executive authority rather than by the issuance of an interim or secret directive. This aspect of the matter should be more fully discussed with the Department of Defense at the time instructions are issued to SCAP.

Consideration will also have to be given at a later date to the tactics of handling publicity and any possible FEC decision of the matter.

It is possible that full consultation with the UK may produce some useful suggestions with regard to both of these problems.

Conclusions

Balancing all of these considerations, FE has reached the conclusion that the following action should be taken :

1. Policy statement of the Department of Defense as amended by the Department should be presented to the President for his approval upon the understanding that it would not be implemented until after the signing of the peace treaty with Japan.

2. Very shortly after the signing of the peace treaty with Japan, the U.S. approach the UK and subsequently other friendly FEC members informing them of the action being taken and seeking their support thereof, if necessary in the FEC.

Recommendations

It is recommended that you approve the attached letter to the Secretary of Defense in the foregoing sense.⁷

⁷ Secretary Acheson's letter of July 20 to Secretary Marshall (also drafted by Mr. Johnson) is not printed. (794.5/4-2651) However, the policy statement therein is quoted entirely, and other elements of the Department's position are summarized, in the enclosure to Secretary Marshall's letter of September 4 to Mr. Acheson, p. 1330.

694.001/7-2051 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, July 20, 1951—4 p. m.

308. I had long conversation this morning with Romulo regarding Japanese peace treaty after which Romulo saw Quirino. Romulo subsequently informed me Quirino will decide Monday whether he will send mission to Washington as suggested last para Deptel 202, July 17, 7 p. m.¹ Meanwhile both Romulo and Quirino request reply to their proposed wording for Article 14 submitted in Embtel 164, July 12.²

As I see picture some compromise is needed to break stalemate. I favor Philippines proposed revision para 14 (a) if word "adequate" removed. I suggest some such wording as "it is recognized that Japan shld pay reparation for the damage and suffering caused by it during

¹ Not printed. In it the Department had stated in part that it believed the Government of the Philippines had ample opportunity to satisfy itself of the inability of Japan to pay "adequate" reparations. It was also out of the question that the Philippines be given a prior claim to reparations over those of other countries occupied by Japan. However, the United States would be willing to receive a Philippine mission to discuss the whole problem, though this mission if it materialized should not be encouraged to anticipate any change in the attitude of the United States, which was based "not upon policy or preference but upon facts of Jap's economy" (694.001/7-1751) The Philippines did not send such a mission to the United States.

² Not printed. The revision mentioned follows:

"(a) It is recognized that Japan shld pay reparation for the damage and suffering caused by it during the war and shld make adequate reparations to the Allied powers. Therefore, Japan will promptly enter into negots with Allied powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done. Such arrangements shall avoid the imposition of additional liabilities on other Allied powers.'" (694.001/7-1251)

the war and shld make compensation to the Allied powers "to the extent possible." I do not support Philippine proposed revision para 14 (a) (1) nor do I believe it needs to be seriously considered.

I believe acceptance Philippine wording para 14 (a) without word "adequate" and leaving para 14 (a) (1) as drafted will enable Philippines retreat from present extreme position particularly if such compromise is coupled with agreement to conclude treaty of alliance to satisfy their fears of security. I do not believe any better solution possible under present circumstances. Notwithstanding Quirino's adamant stand and strong public support for it I am reasonably confident of ability to persuade Philippines accept foregoing compromise. Intensity of feeling here on this issue can not be over-emphasized and therefore I again urge Dept give this proposal most serious consideration.

Pls advise soonest.³

COWEN

³ In telegram 253, to Manila, July 20, drafted by Mr. Dulles, the Department replied as follows: "Reurtel 308 we do not feel that Phil redrafting is acceptable even though word 'adequate' is eliminated as suggested. It seems to us essential to retain the two concepts embodied in FEC basic post-surrender policy, namely, that maintenance of viable economy and meeting of other obligations for relief under occupation must be taken into account. Proposed rewording, which wld eliminate these references after they have once been in text, wld give rise to strong inference that Jap was obligated to pay reparations through services even though this jeopardized viable economy and made it impossible for Jap to meet other obligations." (694.001/7-2051)

694.001/7-2051 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET PRIORITY

WASHINGTON, July 20, 1951—8 p. m.

Topad 96. From Allison. UK Emb states that Brit FonMin believes Emperor shld in some manner be associated with signature of Peace Treaty. They suggest that either Jap Delegates' credentials shld authorize them to sign on Emperor's behalf or that some member of Imperial House shld be attached to the Delegation. Dept pointed out there might be Constitutional difficulties in suggestion regarding credentials, and that our initial reaction was against having a member of the Imperial House attached to the Delegation. As you are aware Art 7 of Jap Constitution provides that Emperor "on behalf of the people" attests full powers and credentials of Ambassadors and Ministers.

Your comments desired soonest on advisability these points. It may be that UK will not press point if they could be informed that Yoshida

is to head Jap Delegation and that this decision was taken after audience with the Emperor.¹ [Allison.]

ACHESON

¹ In telegram 155, from Tokyo, July 22, Ambassador Sebald replied in part that the participation of a member of the Imperial Family on the peace delegation would raise protocol difficulties, but that he had suggested sometime ago to Mr. Clutton the inclusion of a member of the Imperial Household such as [Marquis Yasumasa?] Matsudaira. The Ambassador stated he had no objection to informing the UK confidentially of Yoshida's decision to head the Japanese delegation, as well as of the fact the decision was taken after an Imperial audience. (694.001/7-2251)

694.001/7-2151 : Airgram

*The Secretary of State to the Embassy in Paris*¹

SECRET

WASHINGTON, July 21, 1951.

A-104. Following telegram despatched Manila, Canberra, Rangoon, New Delhi, Wellington, Karachi, Djakarta and Colombo on July 12:

"Fr Emb Wash has requested Dept to submit draft Jap treaty to three Assoc States of IC and to invite representatives those States to sign treaty along with other allies engaged in hostilities against Japan. Dept sees no objection to submission draft treaty to Assoc States IC. Further Dept favorably inclined even before Fr request recd, include Assoc States IC as signatories because: (a) they are constitutional heirs of power (Fr) at war with Japan (this formula has been used for inclusion Indo); (b) it wld contribute to internatl reputation Assoc States as sovereign and independent members Fr Union. Dept disinclined, however, to include Assoc States if their inclusion wld result in refusal other Asian states to sign Jap treaty with them. Dept aware that certain Asian states such as India and Indo are unsympathetic the Assoc States but is not certain in absence your advice that this lack of sympathy wld extend to refusal to sign treaty shld IC States do so.

"Pls ascertain as discretely and expeditiously as possible attitude govt to which you are accredited this matter."

Embassy New Delhi has reported that GOI would be disinclined to sign Treaty if Associated States did so, Embassy Djakarta reports that Indo Govt considered inclusion Associated States as signatories Treaty would be serious mistake as it would alienate other Asian states; it did not, however, state that it would not sign in event Associated States included. Embassy Colombo reports Government Ceylon no objections Indochinese signatories. Phil Govt preoccupied with its objections to reparations clause, revealed no strong position question Indochinese. Australia no objection. New Zealand considered Associated States should sign sometime after general signing. Karachi reported that Pakistan Government, while well disposed toward Indo-

¹ Airgram drafted by William S. B. Lacy, Director of the Office of Philippine and Southeast Asian Affairs.

chinese do not regard them as sovereign and would be embarrassed by their presence at Peace Conference.

Department of course has no objections your placing Associated States in receipt copy Treaty. Final decision as to inclusion Associated States must unfortunately be delayed until attitude of India and the Philippines finally determined. If, for example India and the Philippines do not sign it is possible if not probable that Indonesia and Burma would not do so. In such an event Department at moment favorably inclined to inclusion Associated States in order maximize number oriental signatories. If, however, India, Indonesia and Burma will sign only if Associated States do not Department would be inclined toward arranging for participation some other manner.²

Suggest it might be helpful meanwhile for you to indicate to Associated States that identity of signatories has not yet been determined and that they will be informed of pertinent developments as rapidly as possible.

ACHESON

² In telegram 677, to Paris, July 28, drafted by Mr. Lacy and cleared by Mr. Allison, the Department made it clear that it had informed the French Embassy that it favored inclusion of the Associated States as signatories of the peace treaty. The telegram continued in part:

"Dept believes you shld emphasize to Fr FonOff (a) US desire include Assoc States; (b) ineluctable choice between signatures three Assoc States and no other Asians on the one hand or, treaty with signatories all Asian states except Assoc States; (c) desirability Fr, Vietnamese making energetic efforts to persuade Asian signatories agree to inclusion IC; (d) fact that US accordingly exploring possibility that, shld Asian states prove adamant, formula cld be agreed upon whereby US, UK and Fr cld extend good offices to obtain bilateral treaty between three states and Japan at later date." (694.001/7-2651)

694.001/7-2151 : Telegram

*The Ambassador in Burma (Key) to the Secretary of State*¹

CONFIDENTIAL

RANGOON, July 21, 1951—noon.

82. Depeirtels 56, 57, 59 July 18.² Appointment with FonMin at which I will deliver revised draft Jap treaty³ with invitation to San Francisco conf postponed from July 21 to July 23.

After Cabinet decision July 20 FonOff sent note⁴ acknowledging Emb note July 7⁵ which enclosed memorandum⁶ and July 3 draft of treaty. FonOff note conveyed GOB observation that it cannot approve draft which wld permit Jap Govt evade responsibility paying repara-

¹ Telegram repeated for information to London and Tokyo.

² Telegrams 56 and 59 not printed; for telegram 57, see p. 1199.

³ Reference is to the draft of July 20.

⁴ Not printed; it is enclosure 1 to despatch 83 from Rangoon, July 25, also not printed. (694.001/7-2551)

⁵ Not printed.

⁶ The covering memorandum to the July 3 text, not printed.

tions on grounds lack of capacity make payment. Considers theory injury Jap econ unjustified. Note summarizes extent damage inflicted on Burma points out no adequate contribution recd any source any stage hence justifiable Burm people feel strongly on reparations question. Note disclaims vindictiveness toward Japanese, outlines support given to admitting Japs to UN orgs and resumption trade relations and bases quest for reparations on necessity rehabilitate Burm from ravages war into which drawn because then part of a colonial empire. Concludes any draft omitting reparations to Burm cannot meet with GOB approval.

This is first official notice GOB attitude. Previously FonOff officials had expressed inability to speak for GOB but had given personal view that Burm desired some acknowledgment justice their claim reparations and that while appreciated none might be forthcoming it was desirable for domestic political reasons for treaty to provide some form of compensation whether described as reparations or econ aid or by another term. They did not suggest that GOB wld refuse sign treaty unless treaty definitely provided payment reparations to Burm.

Emb has pointed out that draft treaty does make provisions negots for reparations.

Emb believes GOB sincere in expressing strong feeling on reparations but possibility shld not be excluded that GOB in any case not anxious approve draft treaty because (1) It thinks haste with which it is being pushed to final form offers little opportunity for discussion with all countries interested and (2) unwillingness of GOB to take action which Commie Chi might term unfriendly unless there are clearly compensating advantages.⁷

⁷ In telegram 89, to Rangoon, of July 25, drafted by Mr. Allison, the Department stated in part that it did not understand how Burma could contend it had been offered little opportunity for discussion of the treaty, as Burma had been brought into the treaty talks by Mr. Dulles the preceding October. "At no time since then when US has requested comments various countries, for example at time distribution Mar 30 draft, has GOB made any attempt to discuss problem with us. This is especially significant in view of fact that Mar 30 draft made no provision for reparations of any kind other than from Jap assets in Allied countries. We are of course ready to go into matter in detail at any time but frankly cannot be sympathetic to their alleged indignation at this late date when they have been on notice of US attitude toward reparations for almost a year.

"Present treaty draft which apparently GOB had not closely studied prior to their July 20 note acknowledges justice of reparations claims and provides only method possible of satisfying these claims. Provisions of Art 14(a) included by US most reluctantly and only as result of discussions with other countries such as Phil who have taken position similar to that of Burma on this matter. As far as US is concerned if countries such as Burma and Phil are not willing to sign treaty with present reparations provisions we wld be inclined to recommend their elimination in final draft. . . . While Dept is aware of possible unwillingness of Burma to take action which Chi Commies might term unfriendly it is believed there is nothing in Treaty draft *per se* at which Commies can take legitimate offense." (694.001/7-2551)

The draft handed Burma under date of March 30 is identical to that printed under date of March 23, p. 944.

Have not yet been able ascertain whether GOB views have been sent to GOB Amb in Washington.

Brit Emb Rangoon being informed of contents FonOff note.

KEY

694.001/7-2351 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP
(Sebald)*

CONFIDENTIAL

WASHINGTON, July 23, 1951—7 p. m.

Topad 102. From Allison. Reurtel 151, July 21.¹ UK has not yet completed study of draft legis and hence was unwilling to alter language Art 15(a). However, we are discussing this matter urgently with UK Emb here with view to having language altered in Aug 13 draft. UK still believes far more satis for Art 15 to refer to substantive Jap law rather than to a draft but it is believed here they will accede to our suggested language.² Pls inform Iguchi of our appreciation of efforts Jap have made in this respect and that through you we will attempt to keep him currently advised. Some Jap press statements noted here have referred to possibility of extraordinary session of Diet prior to signing Treaty. Shld this eventuate UK wld presumably insist on having draft legis passed at such session. What is your assessment this possibility? ³ [Allison.]

ACHESON

¹ Not printed.

² In telegram 413, from London, July 20, the Embassy had in part reported that the Foreign Office had stated it had previously understood that the law would be passed before signature of the peace treaty. (694.001/7-2051)

³ In telegram 176, from Tokyo, July 25, the Mission reported learning that the Government was planning to call an extraordinary session of the Diet for the sole purpose of obtaining approval of the appointment of certain Diet members to the peace conference, and that the Government felt that any broadening of the session would lead to a debate on the peace treaty itself, "with possible undesirable repercussions." (694.001/7-2551)

Editorial Note

In note AF/DL No. 401 of July 24 to the Department, the French Ambassador stated, with reference to the French request of Mr. Dulles in June that the most-favored-nation clause in the Japanese peace treaty not be of a reciprocal type, that the language of Article 12 in the draft of July 3 represented an improvement, but that the exceptions mentioned in paragraph (d) did not in fact go beyond those which were provided for in an analogous manner by GATT.

"The Government of France believes consequently that Article 12 in its actual wording is not sufficient to protect French territories overseas from the dangers of Japanese commercial competition.

"Under these conditions the French Government is of the opinion that the best solution would be to exclude from the treaty all mention of most-favoured-nation clauses." (Informal translation filed in Lot 54 D 423)

For the memorandum by Mr. Dulles and Mr. Utter of the conversations held in Paris with French officials on June 11, see page 1110.

In the course of its reply of August 8 to the French note of July 24, the Department stated:

"It is not acceptable to the United States that Japan should be required to accord most-favored-nation treatment to the Allied Powers without reciprocity. Such a unilateral requirement would be at variance with the basic principle of the draft treaty [now of July 20] that Japan should be restored to equal status in the community of nations without restrictions and disabilities of a type not accepted by other sovereign nations. As to the proposal that there be excluded from the treaty all mention of most-favored-nation treatment, it is optional with each of the Allied Powers under Article 12 whether it will proceed as though there were no mention of most-favored-nation treatment in the treaty." (Lot 54 D 423)

For additional information on this subject, see telegram Repsec 15 from Paris, August 9, page 1253.

694.001/7-2451

*Memorandum by the Deputy Director of the Office of Chinese Affairs (Perkins) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

SECRET

[WASHINGTON,] July 24, 1951.

Subject: Effects of Japanese Treaty Negotiations on Chinese National Government

CA has not participated in the discussions and decisions respecting Chinese participation in the Japanese treaty and its information and background on this subject is admittedly incomplete. However, on the basis of incoming and outgoing messages which it has seen, the following views have emerged.

It seems clear that exclusion of the Chinese Government from participation in the Japanese treaty will have serious political consequence on the internal and external position of that Govern-

¹ Memorandum drafted by Wallace W. Stuart, Acting Officer in Charge of Political Affairs in CA. Routed through Mr. Merchant.

ment and our relations with it. It is assumed that these consequences have been weighed and other considerations have been found to be over-riding.

However this may be, CA has some misgivings as to the way which the decision has been carried out. For example, Deptel 25, July 10² to Taipei, which was not sent to CA for clearance or comment, instructs the US Chargé to convey a message to the Chinese Government containing a line of thought bound to be unacceptable to the Chinese and couched in language likely to be offensive to them. Beyond this, as Miss Bacon has pointed out in her memo of July 11,³ the message contained a line of thought which could immeasurably increase our difficulty in maintaining the international position of the Chinese Government and its continued representation in the United Nations.

From another telegram (413 July 18 to London),³ which was not seen prior to transmission, CA has learned that the US has offered its good offices to the Italian Government in connection with the negotiation of a bilateral treaty between Italy and Japan, which will be in harmony with the proposed multilateral treaty. From the same telegram it is learned that US offer of good offices must be by US and UK jointly to help meet objections by Nationalist China that a similar offer was not made it by the US. CA doubts that the joint nature of the offer to Italy will prevent the Chinese from contrasting the US attitude toward an ex-enemy state and its attitude toward an active ally in the war against Japan.

CA is not informed regarding an action which the US may contemplate to assist the Chinese Government, after the conclusion of the multilateral treaty, to conclude a satisfactory bilateral treaty with Japan. CA suggests, however, that quite apart from our relations with the Chinese Government, a treaty of peace between that Government and Japan would be a source of friction between Peiping and Tokyo and would tend to prevent an improvement of relations between an independent Japan and Communist China. It is worth noting that strong economic pressures may develop for such a *rapprochement* and that such a *rapprochement* would be highly dangerous for the US position in the Far East.

Finally, CA urges that this Government neither attempt to induce the Chinese Government to accept nor in any other way support the negotiation of a treaty of peace between the Chinese Government and Japan which contains any restriction on the capacity of the former to sign for all of China.⁴

² *Ante*, p. 1188.

³ Not printed.

⁴ No response by Mr. Rusk to this memorandum has been found in Department of State files.

694.001/7-1351

*The Secretary of State to the Secretary of Defense (Marshall)*¹

TOP SECRET

WASHINGTON, July 24, 1951.

MY DEAR MR. SECRETARY: I am in receipt of the letter of July 13 from the Acting Secretary of Defense forwarding a memorandum from the Joint Chiefs of Staff dated July 11, 1951 regarding the proposed Japanese Peace Treaty.² We have considered the comments and recommendations of the Joint Chiefs of Staff as set out in paragraphs 2 and 3 of their memorandum to you of July 11, 1951.

Paragraph 2(a) refers to the fact that the Declaration on graves uses the phrase "Allied and Associated Powers" whereas in the Treaty text the phrase is "Allied Powers".

The use of the phrase "Allied and Associated Powers" in the Declaration was inadvertent, resulting from the fact that the Treaty text originally used and defined the term "Allied and Associated Powers". When this was shortened in that text to "Allied Powers" the corresponding change was not made in the war graves Declaration, which had been drafted by the United Kingdom. The discrepancy had, however, been caught and was already corrected in the Department of State Press Release (No. 616) of July 11, 1951 of the Treaty text.

Paragraph 3(a) reiterates the views of the Joint Chiefs of Staff that it is essential that Communist China should not sign the Japanese Peace Treaty. That view is completely shared by the State Department and the Joint Chiefs of Staff need have no apprehension on this point.

Paragraph 3(b) suggests that Communist China should not get any benefits under the Treaty which that nation does not *de facto* hold. That is the intent and effect of the draft. In fact, the Japanese property referred to in Article 14(a)2 was liquidated by the National Government of China, prior to the coming into power on the mainland of the Communist regime.

Paragraph 3(c) indicates that it is essential that the proposed bilateral security arrangement with Japan should become effective simultaneously with the effectiveness of a Japanese Peace Treaty. This will be taken care of through the fact that Japan will be expected to ratify both treaties and deposit its instruments of ratification with the United States prior to corresponding action by the United States. Therefore, the United States can and will control the timing of coming into force so as to assure that, so far as the United States is concerned, the Treaty of Peace will not come into force with-

¹ Letter drafted by Mr. Dulles.

² For texts of the letter and enclosure, see pp. 1192 and 1193, respectively.

out the bilateral security treaty simultaneously coming into force. Since treaty language is of no legal effect until the treaty is ratified and instruments of ratification deposited, it is not practical by language in the treaty itself to control the timing of the ratification and furthermore, from the standpoint of the United States that attempt, by the Executive, might raise constitutional questions with the Senate. The Joint Chiefs of Staff may, however, feel assured that it is the intention, and that it will be kept within the power of the United States, to assure that the bilateral security treaty and our Treaty of Peace with Japan do come into effect simultaneously. With reference to the final sentence in paragraph 3(c) it can, I think, be assumed that the United States will exert its political influence with a view to assuring that other nations do not conclude treaties with Japan which would be detrimental to the security interest of the United States in the Far East, specifically with respect to the operations in Korea.

Sincerely yours,

DEAN ACHESON

694.001/7-2451: Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, July 24, 1951—5 p. m.

338. I informed Romulo that Dept unable accept Phil redraft Art 14.¹ Thereupon he asked me transmit further revision quoted Embtel 316, July 23.² I agreed to do so but told him at same time that I had no reason to believe latest redraft wld be any more acceptable than previous ones. Romulo said again Quirino and his 15-man comite³

¹ See footnote 2, p. 1215.

² Not printed. The revision mentioned follows:

“(a) It is recognized that Japan shld pay reparation for the damage and suffering caused by the war and shld make adequate reparation to the Allied powers.

“Therefore, Japan agrees to promptly enter into negots with Allied powers so desiring, whose present territories were occupied by Japanese forces, for the purpose of determining the amount of reparation to be paid by her, the manner of payment, the commencement and period of the time within which payment shall be made, and such other terms as may be necessary for the purpose of complying with its obligation: provided, however, that the agreement to pay reparations shall take into account the ability of Japan to pay, during the period that may be stipulated, and shall avoid the imposition of additional liabilities from other Allied powers. In case of disagreement between Japan and any one of the Allied powers on any matter or subject of negotiation, the same shall be promptly referred to the Internatl Court of Justice for settlement and final decision. The jurisdiction of the Internatl Court of Justice over all questions referred to it for settlement under this article shall include the authority to employ the assistance of any organ or agency of the United Nations for the enforcement of its orders or decision.” (694.001/7-2351)

³ A committee (with representatives from most Philippine political factions) which had been established to advise President Quirino on the reparations problem.

are still of opinion Phils shld not sign peace treaty unless reparations clause worded along lines proposed. Will appreciate Dept's reaction to latest proposed revision Art 14. Since some semblance of compromise is badly needed here, I am wondering whether Dept cld suggest some rephrasing of Art 14 that wld be innocuous to us but at same time give Phils feeling that there has been a compromise meaningless as it may be. Some such minor redrafting will inevitably soften Phil reaction and if coupled with offer to conclude mutual defense pact as suggested in Deptel 213, July 19 [18],⁴ might enable Quirino and his fifteen-man comite to recede from their present extreme position. It shld be borne in mind that this 15-man comite is bipartisan and represents all walks of life. Romulo is pretty well resigned to the inevitable and is looking anxiously for means of extricating Phils from present situation.

Fifteen-man comite is mtg again tomorrow.

COWEN

⁴ *Ante*, p. 224.

694.001/7-2451 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

TOKYO, July 24, 1951—8 p. m.

Topad 166. Re Deptel 94, July 20.¹ Fol is Jap Govt "explanation" dated July 24 of its observation re Article 4 draft treaty: (*Begin text*).²

Our views as submitted (2 July and 16 March) may be amplified as fol:

In territories to be ceded (especially Korea), Jap had huge amount of public and private property. They had a large Jap population. All these residents compelled return homeland since termination war.

All properties left behind, then disposed of irresponsibly. Occupation forces came. Remaining Jap assets disposed by these occupation authorities. Peace and order of these territories disturbed. Occupation forces were withdrawn. Civil war broke out. Properties were destroyed.

Under these circumstances, disposition property of Japan and its natls these areas and other claims against authorities presently

¹ In this telegram, drafted by Mr. Fraleigh, the Department had stated in part that the Japanese comment of July 2 regarding Article 4 of the June 14 draft was "cryptic" and had requested further information. (694.001/7-2051)

² The text given here, while complete in substance, has been syntactically telescoped. The original text of July 24 is filed in the Tokyo Post Files, 320.1 Peace Treaty.

administering these areas and residents thereof on one hand, and disposition of property in Jap of such authorities and residents (if there is any) and their claims against Jap and its natls on the other, will prove impossible in practice, even if peace treaty provided such principles as set forth, for instance, in Annex 14 Italian Treaty. It is simply because status of interrelation all these property rights and claims was basis any such disposition is not only far too complex but has been completely destroyed in six years since surrender. If we tried to make start in disposing them according to set of principles, we shall not be able get hold factual data on which such disposition is to be based.

Furthermore, easy to surmise that amount of claims of authorities administering these areas and residents thereof against Jap wld be far smaller than that of our property and claims. We feel certain, however, that they will not be satisfied with simply relinquishing claims against each other, but will bring up reparation claims against Japan some pretext or other, notwithstanding fact they were never at war with Jap. They will demand reparations on no ground at all.

Therefore, only practicable way to solve problem of property succession as between Jap and these areas will be, it seems to us, to provide in peace treaty itself that it will be closed within the areas respectively, without permitting pursuit of claims either to Jap or to the respective areas. This cutting-the-Gordian-knot way of solution is inevitable consequence of forcible mass evacuation Jap natls from these areas and also general disorder in certain areas after termination war (*end text*).

FonOff officials state Jap Govt does not desire at this late stage to propose treaty amendment this matter but simply to comment.³

SEBALD

³ A note is handwritten in the margin of the document referred to in footnote 2 above: "Brought in by Mr. Fujisaki, of Treaty Bureau, FonOff, on 24 July 51. He will bring in suggested treaty amendment this afternoon. R[ichard] B[.] F[inn]". A second note in Mr. Finn's handwriting reads: "Mr. F[ujisaki] called by phone later on 24 July to state J[apanese] G[overnment] did not desire to urge a treaty change at this stage."

694.001/7-2751 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*¹

TOP SECRET

WASHINGTON, July 27, 1951—noon.

Topad 129. Sebald from Dulles. Various US Depts concerned have now completed final consideration proposed Bilateral Security

¹ Telegram drafted by Mr. Dulles and cleared in draft with Mr. Rusk.

Treaty.² This consideration leads us to propose fol changes which we consider to be desirable clarifications not involving any change of substance or intent:

1. At end of second para, after "world" add new sentence reading "Therefore Jap desires a security treaty with the US to come into force simultaneously with the coming into force of the Treaty of Peace between Jap and the US and other Allied Powers."

The purpose here is to make clear that the coming into force of this Treaty is intended to be simultaneous with the Peace Treaty so there will be no interval of power vacuum, or ambiguity.

2. In para 3, after word "Japan" add "as a sovereign nation."

The purpose is to bring this third Preamble into closer conformity with the actual text of the Art 5 (c) of the draft Treaty of Peace.

3. Art 1, substitute "dispose" for "station".

The purpose is stylistic to use a word which corresponds more nearly with normal military parlance. This we assume would involve no change in the Jap text.

4. Change second sentence of Art 1 to read "Such forces may be utilized to contribute to the maintenance of intl peace and security in the Far East and to the security of Jap against armed attack from without, etc."

The purpose is to make clear that the US forces in and about Jap are not earmarked and dedicated so exclusively for Jap that they cld not be used elsewhere to maintain intl peace and security as, for example, US forces in and about Jap were used for the aid of So. Korea when it was attacked. Recognition of this fact is in our common interest. In view of the responsibilities of the US in the area and its commitments to the Phils, NZ and Austr, the US cld not afford to earmark any particular forces exclusively for any particular area. We don't think that this was ever the intent of Art 1 but DepDef now insists on necessity of expressly negating any such possibility.

The phrase "Such forces may be utilized, etc" is substituted for "Such disposition, etc." purely as clarification. We believe it is implicit that forces could be utilized for the purposes mentioned but this is preferably made explicit.

5. Art 2, insert after "maneuver" the words "or transit of ground, air or naval forces."

We believe this is already included in the concept of "maneuver" but again DepDef feels clarification desirable.

After informing Gen. Ridgway pls clear foregoing as rapidly as possible with Jap Govt. [Dulles.]

ACHESON

² For further information on discussion within the U.S. Government of the bilateral security treaty prior to this date, see Mr. Lovett's letter of August 11 to Secretary Acheson, together with enclosures, p. 1256.

694.001/7-2751 : Telegram

The Secretary of State to the Embassy in the Philippines

SECRET PRIORITY

WASHINGTON, July 27, 1951—noon.

332. For Ambassador from Allison. Pls discuss at once with Romulo as your own personal idea and without instrs redraft of Art 14(a) and 14(a)1 given below. You shld point out this redraft takes into acct as far as possible Phil suggestions. Its first sentence recognizes Jap's obligation pay reparations and does not link it up as present Art 14(a) does with her inability to pay. Second sentence of 14(a) is based on and uses language from Versailles Treaty with reference to Germany. In view of fact original Ger reparations clauses have been considered most harsh in modern history we believe Phil shld not object to using similar language with respect to Jap. Last part of second sentence also by implication recognizes prior position of occupation costs which we consider vital. Language of 14(a)1 based on Romulo's wording contained your 316, July 23.¹ Phil reference to Internatl Court of Justice has been omitted as we do not see how this cld operate in practice. Dulles at present out of town until July 30 so this proposal has not been discussed with him and there is no firm Dept agreement that it wld be acceptable. However, if your discussion with Romulo indicates that proposal along this line wld meet Phil position I will recommend acceptance thereof. It is again emphasized this has no clearance here and it cld only be discussed on personal basis and not under instrs.

"Art 14(a). It is recognized that Jap shld pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Jap are not adequate to make complete reparation for all such damage and suffering and at the same time meet its other obligations.

"Therefore, 1. Jap will promptly enter into negots with Allied Powers so desiring, whose present terrs were occupied by Jap forces and damaged by Japan, for the purpose of determining what reparation Japan can make, particularly by the delivery of goods and services, the manner of making reparations available, the commencement and period of time for making such reparations available and such other terms as may be necessary for the purpose of complying with this obligation; provided, however, that any agreement to make reparations shall take into acct the ability of Japan to pay and shall avoid the imposition of additional liabilities on other Allied Powers."

[Allison]
ACHESON

¹ Not printed. See footnote 2, p. 1224.

694.001/7-2851 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

Tokyo, July 28, 1951—3 p. m.

Topad 202. For Dulles and Allison. Re Deptel 118, July 25.¹ Suggestion contained in reftel that Japan will be treated differently, however slightly, from other dels is a concept which appears entirely at variance with careful efforts made to date by General Ridgway, Dulles, yourself, important visitors to Japan, this Mission, and numerous other Americans to convince Japanese that subject to exigencies of regime of control and occupation we are dealing with them as equals. In past few months, especially since advent of General Ridgway as SCAP, hdqrs official social relationships with Japanese Govt officials and private individuals have been conducted on basis friendship and equality, and recent social functions by most diplomatic missions have also been conducted in same spirit.

Invitation to Japanese Govt to conference was couched in such terms as to leave no doubt that United States Govt shares above view. As host nation, United States should set tone of conference, and I wld greatly deplore any action which cld be construed by Japan as a slight or as revival of spirit of Versailles (which Dulles so graphically explained to Japanese while here).

It wld appear entirely reasonable to me, shld any del object to presence Japanese del at any stage of conference, to allow that del accept onus for slight. Certainly United States shld not become party to any procedure which wld align it with a complex of superiority which might conceivably place in jeopardy future of our entire security program for this part of world.

Suggestion in reftel that chairman at opening session suggest in absence objection Japanese participation in conference proceedings appears most undesirable in that Japanese del wld at very beginning of conference be placed in humiliating position of having to wait, hat in hand, for permission to enter conference, notwithstanding con-

¹ In that telegram, marked "From Allison," the Department had stated in part: "Tentative thinking here is that Jap shld be given treatment [at the peace conference] nearly as possible equal to that of other dels. However, this raises certain delicate points and it will probably not be possible to have Jap officially present at opening session. Suggestion has been made that at some point during opening session Chairman of Conference will state that in view of spirit in which Treaty has been drafted and in view of strict compliance by Jap in terms of surrender over long period, he intends, unless there is objection, to invite Jap Del to be officially present during proceedings of Conference. Diplomatic preparation would have to be made beforehand to make certain that no objections were raised. It is probable that head of Jap Del wld only be expected to make one public statement, presumably at end of Conference and just prior to signature of Treaty." (694.001/7-2551)

ference has been called for sole purpose concluding peace treaty with Japan. Moreover, such procedure wld run risk that any objection voiced by even one del wld not only have adverse effect on United States publicly stated aim that treaty is designed to effect "peace of reconciliation" but would probably rekindle dormant desire perpetuate victor-vanquished relationship by some countries having little or no stake in Far East.

I need not cite instances of sensitivity and long memory of Japanese people as exemplified by past. At peace conference they will be all the more sensitive and tense, suspecting real or imagined discriminatory treatment as designed stigmatize them as inferiors. It behooves us, I believe, to take every possible precaution that no slightest ground arise whereby blame in this regard cld be attached to United States. We shld also constantly bear in mind that Japan is an Asiatic nation and that eyes of Asia will be upon San Francisco and upon manner in which each and every Asiatic nation, including Japan, is recd and treated by United States and other "white" nations.

Any discrimination against Japanese del at San Francisco wld moreover serve to undermine personal prestige of Yoshida and render that much more difficult his task of gaining general public acceptance of treaty in Japan.

I therefore most strongly urge that every effort be made to accord Japanese del treatment equal to that of every other del. Since details of treaty already completely finalized by diplomatic negotiations and conference is in effect only a signing ceremony, and therefore unique as peace conference, it appears from here most essential for conference open and proceed on basis of ceremony or function by which Japan being formally readmitted to family of nations as honorable and equal partner.

Accordingly, it is my earnest recommendation that Japanese del be allowed participate in all aspects of conference from moment of its arrival and that United States del take initiative in introducing Japanese del in spirit of friendship and equality, bearing in mind role of Japan as our future partner in Pacific.

No objection perceived your suggested timing public statement by head Japanese del and for psychological reasons shld probably be made last and just prior signature of treaty. This connection, Yoshida recently told me he desires voice gratitude Japanese people to United States for treaty concept and for assistance during occupation.

General Ridgway has read this tel, concurs fully and urges acceptance of views and approval of recommendation herein.²

SEBALD

² For the Department's decision regarding the procedural arrangements for the Japanese Delegation, see telegram 342, to Tokyo, August 28, p. 1299.

694.001/7-3051 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, July 30, 1951—5 p. m.

425. Romulo has just informed me Quirino unable accept language for article 14 (a) and 14 (a) (1) contained Deptel 332,¹ July 27 which was submitted Saturday as my own proposal and without Dept's authority. Quirino wishes Article 14 (a) to read "it is recognized that Japan should pay reparations to the allied powers for the damage and suffering caused during the war". He wishes second sentence of Article 14 (a) to be deleted in its entirety. He wishes to add the fol to your proposal for Article 14 (a) (1): "In case of disagreement between Japan and any one of the allied powers on any matter or subject of negotiations, the same shall be promptly referred to the International Court of Justice for settlement and final decision. The jurisdiction of the International Court of Justice over all questions referred to it for settlement under this article shall include the authority to employ the assistance of any organ or agency of the United Nations for the enforcement of its orders or decisions."

Romulo was told that there was not slightest hope we cld agree to deletion second sentence Article 14 (a) but I nevertheless agreed to transmit Quirino's views. Romulo was also told that proposed addition to Article 14 (a) (1) wld undoubtedly be unacceptable since I felt certain reference to International Court of Justice is not practicable solution. Phils feel, however, reference to International Court of Justice wld be useful to satisfy public opinion.

The language suggested in Deptel 332 was urged on Romulo in strongest possible terms. Romulo's first reaction to it was most favorable. He promised to continue to urge Quirino accept second sentence Article 14 (a) which I told him was *sine qua non*.

Dept's advice will be appreciated soonest as to extent Quirino's modifications may be acceptable.²

COWEN

¹ *Ante*, p. 1228.

² In telegram 363, to Manila, July 30, marked "For Ambassador from Allison," the Department replied as follows: "Further discussions Dept over weekend and with Dulles on his return this morning indicate there wld be great difficulty Dept's accepting revision Art 14 as suggested Deptel 332, July 27. In view of urtel 425, July 30, reporting inability Quirino accept language suggested Deptel 332, consider suggestion withdrawn. You are quite right Quirino's suggestions as contained urtel 425 unacceptable Dept. Have you any further suggestions?" (694.001/7-3051)

694.001/7-3151 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

Tokyo, July 31, 1951—7 p. m.

Topad 219. For Dulles. Re changes proposed bilateral security treaty. Fol are official Japanese "observations" dated July 31:

Begin text. 1. All suggested changes are agreeable to Japanese Govt.
2. Fol changes in wording suggested for sake uniformity.

a) Words "collective self-defense arrangements" in third para of preamble reading "treaty of peace recognizes that Japan as sovereign nation has right to enter into collective self-defense arrangements and . . ." shld read "collective security arrangements," because Article 5(c) of peace treaty states "allied powers for their part recognize . . . that Japan may voluntarily enter into collective security arrangements".

b) In fourth para of preamble reading "United States, which is one of the Allied powers," underlined part will no more be necessary because in Article 5(c) of peace treaty words "participated in by one or more of the Allied powers" have been deleted.

c) In Article 3, "the stationing of armed forces of the United States . . ." may better read "the disposition of . . ." because in Article 1 word "station" was changed to "dispose."

3. Japanese Govt repeats its request to have a ratification clause added as Article 5 and understands that agreements will be done both in English and Japanese languages.

4. With regard to timing of publicity, its simultaneous release with final peace treaty draft (13 August) is deemed preferable for Japanese Govt from its internal political considerations. *End text.*¹

SEBALD

¹ In telegram 158, to Tokyo, July 31, drafted by Mr. Allison, the Department replied in part that all the changes suggested by the Japanese had been approved by the Departments of State and Defense. (Article 5 of the draft of July 31, *infra*, was quoted entirely.) Regarding publication, both Departments wished to postpone it "until more nearly time of signature. We are especially concerned with effect early pub might have on decision by certain nations to come to San Francisco, i.e., India." (694.001/7-3151)

In a memorandum for Mr. Acheson of August 2, Ambassador Dulles said in part:

"We have now agreed with the Department of Defense on the draft Bilateral Security Treaty, and our draft has also been accepted by the Japanese Government. The Joint Chiefs of Staff receded somewhat from their extreme position and I feel reasonably satisfied with the result.

"It is, however, agreed between Defense and ourselves that we should defer as long as possible publication of the text as it would undoubtedly be used by unfriendly elements to attack the peace settlement as in essence giving the United States the right to use Japan as a military base to carry an offensive threat to Russia and Communist China." (Lot 54 D 423)

Lot 54 D 423

United States-Japanese Draft of a Bilateral Security Treaty

SECRET

[WASHINGTON,] July 31, 1951.

PREAMBLE

Japan has this day signed a Treaty of Peace with the Allied Powers. On the coming into force of that Treaty, Japan will not have the effective means to exercise its inherent right of self-defense because it has been disarmed.

There is danger to Japan in this situation because irresponsible militarism has not yet been driven from the world. Therefore Japan desires a Security Treaty with the United States to come into force simultaneously with the Treaty of Peace between Japan and the United States.

The Treaty of Peace recognizes that Japan as a sovereign nation has the right to enter into collective security arrangements, and further, the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defense.

In exercise of these rights, Japan desires, as a provisional arrangement for its defense, that the United States should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

The United States, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defense against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.

Accordingly,

1. Japan grants, and the United States accepts the right, upon the coming into force of the Treaty of Peace and of this Treaty, to dispose United States land, air and sea forces in and about Japan. Such forces may be utilized to contribute to the maintenance of international peace and security in the Far East and to the security of Japan against armed attack from without, including assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside Power or Powers.

2. During the exercise of the right referred to in Article 1, Japan will not grant, without the prior consent of the United States, any bases or any rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, or transit of ground, air or naval forces to any third power.

3. The conditions which shall govern the disposition of armed forces of the United States in and about Japan shall be determined by administrative agreements between the two Governments.

4. This Treaty shall expire whenever in the opinion of the Governments of the United States and of Japan there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan area.

5. The present Treaty shall be ratified by the United States and Japan and will come into force when instruments of ratification have been deposited by them with the Government of the United States.

694.001/8-251 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET

WASHINGTON, August 2, 1951—5 p. m.

Topad 169. For Sebald from Dulles. It is now our view that the so-called Addendum constituting item 4¹ of the initialed documents of Feb 9, 1951, shld take form of exchange of notes between Acheson and Yoshida, the note from Acheson to read as follows:

[Here follows a draft identical in substance to the final text with one exception: the word "preventive", which appears in the draft between the words "taking" and "action" in the first sentence of the second paragraph, is omitted from the final text. For text of the exchange of notes of September 8, 1951, see Department of State *Bulletin*, September 17, 1951, page 465.]

It may possibly be that the language at end of second para and beginning of third para wld need to be altered somewhat in light of what actually happens in Korean armistice discussions, but in any event we wld want the confirmation indicated by third para.² [Dulles.]

ACHESON

¹ For text, see Annex III to the letter of February 10 from Mr. Dulles to Secretary Acheson, p. 876.

² In telegram 286 from Tokyo, August 8, marked "For Dulles," Mr. Sebald stated the Foreign Office had replied as follows: "The Jap Govt has no objection to the draft of notes concerning the subj matter to be exchanged between the Jap delegate and the SecState of the United States Govt.'" He had been assured orally that the delegate in question was Prime Minister Yoshida. (694.001/8-851) In telegram 242 to Tokyo, August 13, the Department stated in part that the exchange of notes should occur at the time of the signing of the bilateral security treaty. (694.001/8-251)

694.001/8-251: Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

CONFIDENTIAL PRIORITY WASHINGTON, August 2, 1951—6 p. m.

Topad 170. Sebald from Dulles. Urlets July 20 and 25,¹ feel your presentation to Democrats and Socialists adequate and effective. Consider it of utmost importance that Diet mbrs should overwhelmingly and without regard to party support the Treaty. US has carried on an effort without precedent in history to make the Treaty a fair and liberal one free of discriminatory provisions or provisions which wld deny Jap equal opportunity for future. Of course there are some provisions which the Jap do not like, principally territorial. However, they were accepted when Jap accepted the surrender terms and except for Ryukyu and Bonin situation are beyond realm of practical discussion. There is no Jap renunciation of Habomai if in fact Habomai not part of Kuriles. As regards Ryukyu and Bonin Treaty grants Yoshida plea to me that Jap sovereignty should not be renounced, and question of permanent regime for these Islands remains for subsequent determination by the US probably on basis of study to be conducted between signing and ratification.

If Allies are willing to renounce opportunity to gain by taking advantage of Jap's presently helpless position certainly the Jap ought to be big enough to respond to their forbearance. Also, in the US despite sharp differences of opinion regarding MacArthur and other aspects of fonpol there has been bipartisanhip re Jap peace treaty which again is something our Senate wld expect Jap Diet to reciprocate having regard to the efforts our nation has made and the criticism it has attracted in other countries in the struggle to seek a liberal and just treaty. [Dulles.]

ACHESON

¹ Neither printed. In them Ambassador Sebald had detailed his efforts to stimulate support for the peace treaty among the opposition parties. (Tokyo Post Files : 320.1 Peace Treaty)

694.001/8-251 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

SECRET PRIORITY

WASHINGTON, August 2, 1951—7 p. m.

Topad 173. Your 154 July 21 and 175 July 25.² Continuing absence contacts and conversations between Jap Govt and Natl China Govt giving rise to news stories and rumors that Jap Govt may intend to deal with Commie Govt. This question raised yesterday by some Senators. We denied categorically, stating that we had every confidence that Jap Govt wished to make peace with Chi Natl Govt. Our reliance for this is Yoshida statement reported your 2001, May 19.³ However, present bipartisan support for treaty and prospects ratification could be seriously damaged unless Jap Govt now takes some steps to give public impression corresponding your 2001, upon which we have relied in working out formula embodied in Art 26 of the draft treaty.

We suggest it may be desirable Jap Govt quickly move to establish overseas agency relation with Chi Natl Govt as suggested your 154. We further suggest that in this connection there should be attached to the agency at Taipei someone of sufficient political stature to initiate informal discussions with Natl Govt designed to pave way for formal negotiations to conclude arrangements contemplated by Art 4 (a) of the draft treaty and perhaps also lay basis for expediting the Bilateral when this is in order. We have not changed our view that it is not practical to have Bilateral signed contemporaneously with multilateral, nor our view that the scope of Natl Govt authority is an element that must be taken into account so that act of concluding peace does not have unrealistic implications for Japan. We are however giving thought to possibility of letting it become known unofficially that along lines of Yoshida's statement reported your 2001 Jap Govt wishes peace with Chi Natl Govt as govt which a) was signatory of the UN Declaration referred to in Art 26, b) declared war on Jap, c) exercises authority over substantial Chi forces and resources, d) votes and speaks in international bodies to which Jap aspires to membership, and e) has authority over

¹ Telegram drafted by Mr. Dulles and cleared by Mr. Merchant.

² Neither printed. In telegram 175 Mr. Sebald had reported in part that the Japanese Government had decided to delay establishment of an overseas agency at Taipei until after the signing of the peace treaty, but definitely expected to establish one at that time. The decision had apparently been taken partly in deference to the wishes of the United Kingdom. However, the Japanese Government had approved a request by Chiang Kai-shek that Isao Kawada be appointed a finance adviser to the Nationalist Government. "Iguchi commented this appointment would serve as stopgap until opening overseas agency and probably mollify hurt feelings Chi." (693.94/7-2551)

³ *Ante*, p. 1050.

Formosa with which Jap has increasingly close commercial relations; that the present capacity of Natl Govt to bind all of China and all Chi nationals to a state of peace is obviously a factor to be taken into account, but it is not looked upon as a factor which excludes the achievement of at least the peaceful objectives indicated above, leaving others to be achieved in due course.

We wld appreciate your prompt personal reactions on the foregoing which is being rptd to Taipei for Rankin's personal info and report of his personal reactions.⁴

ACHESON

⁴ Telegram repeated to Taipei as number 89. In reply Mr. Rankin stated in part his general approval of the "constructive approach" contained in it. (Telegram 171 from Taipei, August 6; 694.001/8-651)

However, see telegram 257, from Tokyo, August 4, p. 1239.

694.001/8-351 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, August 3, 1951—5 p. m.

500. Harrington and I had five-hour talk with Quirino and Romulo this morning and presented language contained Deptel 390, Aug 1, 8 p. m.¹ Quirino found language less acceptable than that submitted fol receipt Deptel 332, July 27² which Quirino now wld gladly accept with insertion of word "presently" before the words "adequate to make complete reparation, etc."

Altho Romulo is still studying draft we snbmitted this morning, Quirino is still insistent on insertion of word "presently" as indicated above and wld change the word "adequate" to read "complete repara-

¹ In this telegram, drafted by Mr. Allison, the Department had suggested yet another revision of the reparations clauses, describing it as the "maximum which Dept can consider in order to meet Phil desires." It follows:

"Art 14(a). It is recognized that Jap shld pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Jap are not sufficient, if it is to maintain a viable economy, to make adequate reparation for all such damage and suffering and at the same time meet its other obligations.

"Therefore, 1. Jap will promptly enter into negotiations with Allied Powers so desiring whose present territories were occupied by Jap forces [and?] damaged by Jap for the purpose of concluding agreements for making available, as reparations, the skills and industry of the Jap people in manufacturing, salvaging and other services to be rendered to the Allied Powers in question. Such agreements shall determine the commencement and period of time for making such reparations available and such other terms as may be appropriate; provided, however, that in any agreements to make reparations, where the manufacturing of raw materials is called for, they shld be supplied by the Allied Powers in question, and such agreements shall avoid the imposition of additional liabilities on other Allied Powers." (694.001/8-151)

² *Ante*, p. 1228.

tions, etc." Notwithstanding fact Quirino and Romulo agree Japs unable in immediate future to make reparations in form of goods, they both feel strongly door shld not be shut on possibility of receiving reparations eventually in form of goods, particularly since reparations will be subject to later negotiation and determination at that time as to whether Japs can pay and, if so, whether in form of goods or services.

I pointed out repeatedly that their insistence on goods was unrealistic and constituted radical departure from underlying philosophy of Article 14. Quirino and Romulo however insisted for purposes of local acceptance reparations clause that there shld be provision for payment in goods even though we all now believe payments in that form will not be realized. Quirino and Romulo say that they will be content if in course of negotiations Japs say no goods available and then seek agreement on services. Phil sensitivities also hurt by use of word "skills" which they take to imply Phils must look to Japan for skill since Phils lack such talent.

Romulo will discuss problem again with Quirino today or tomorrow and I am holding myself available to participate if requested. I will also keep in close touch with Romulo.

[Here follows the remainder of this telegram; for text, see editorial note, page 236.]

COWEN

694.001/8-451 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, August 4, 1951—1 p. m.

504. Philippines now agreeable accept language Deptel 390, Aug 1¹ with fol changes:

1. Inclusion word "presently" between words "not and sufficient" in second sentence Article 14a and substitute word "complete" for "adequate" in same sentence so that sentence will read "Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparations for all such damage and suffering and at the same time meet its other obligations."

2. Omission word "as" between word "available and reparations"² in first sentence Article 14a 1 and addition words "including" or (if Dept prefer) "particularly" between "reparations and skills" so that that part of sentence wld read "for the purpose of concluding agreements for making available reparations, including (or particularly) the skills and industry".

¹ See footnote 1, *supra*.

² Apparently meant to read "words 'available' and 'reparations'".

Assume Dept can accept suggested changes in Article 14a, but proposed change in Article 14a 1 obviously opens door to reparations other than those exclusively with realm skills and industry, even though Romulo again this morning stated in effect that the door cld readily be closed by Japanese during reparations negotiations.

Alternatively cld Dept revert to language proposed in first sentence Article 14a 1 Deptel 332, July 27 ³ or any similar language which does not entirely preclude reparations outside of skills and industry.

Recto made his thus far most bitter attack against US foreign policy and US-Philippine relationship in address before Cebu Bar Association yesterday and reported in today's *Manila Times* under caption "Sabotage of Japanese Reparations" and also given wide coverage other papers. Select portions text being sent you separately Embtel 503 ⁴ with full text by mail.⁵

Indication extent to which Quirino's determinations in this matter are being swayed by Recto attacks is that he was finally dissuaded last night from previously adamant insistence on International Court proposal when it was pointed out to him that such inclusion in treaty wld be capitalized by Recto.

These latest Philippine proposals mark substantial and difficult withdrawal Quirino and Romulo from previous extreme position in face of strong nationwide support for definitive reparations agreement contemplating large payments in goods and cash.

Package deal including security bilateral is inherent in above. Early announcement agreement on reparations clause plus statement intention conclude defense alliance early date will largely dissipate current anti-American agitation.

[COWEN]

³ *Ante*, p. 1228.

⁴ Not printed.

⁵ In telegram 448 to Manila, August 6, drafted by Mr. Dulles, the Department stated in part that although changes proposed in numbered paragraph 1 of telegram 504 were acceptable, those in numbered paragraph 2 were not, since they would go counter to the "fundamental" U.S. position by leaving open indefinitely the question of monetary reparations. The United States was preparing an authoritative statement of its position in the matter. (694.001/8-651)

694.001/8-451

*The United States Political Adviser to SCAP (Sebald) to the Secretary of State*¹

SECRET PRIORITY

Tokyo, August 4, 1951—7 p. m.

Topad 257. ReDeptel 173 Aug 2 rptd info Taipei 89. Although Yoshida still determined defer opening overseas agency Taipei until

¹ Repeated to Taipei as number 13.

after peace conference (Mistel 175 July 25),² I have today sought and received orally from Iguchi categorical assurance that Jap Govt will open such agency once treaty is signed. It is hoped this assurance will prove helpful to Dept in meeting situation outlined reftel. Iguchi stated further that appointment Kawada as financial adviser Chi Nationalist Govt awaits only his depurge which expected shortly.

Re possible further action suggested reftel, it wld appear to us from here that any additional steps taken at this late date to bind Japan publicly to Nationalist China wld tend to have dangerously negative effect on our efforts to encourage India and other countries which have severed ties with that regime to join us in signing treaty. It seems to us that during period from now until treaty is signed we wld have immeasurably more to lose by alienating such nations than we wld stand to gain in terms of increased domestic bipartisan solidarity, importance of which wld seem in any event to be greatest during later period prior to submission of treaty for ratification.

Also, in view apparent Brit determination prevent opening overseas agency Taipai or other overt action at this time on part of Jap Govt in favor Chi Nationalists, we doubt whether further pressure on our part wld result in anything but modifying demonstration to Japan of US-UK disunity on China issue.

In view reiterated assurances Japan will enter into relations with Chi Nationalist Govt and collateral reasons set forth above is recommended entire problem be to maximum extent possible held in abeyance until after peace conference. I shall of course, do everything possible in interim to influence Yoshida and others along lines Dept's thinking.

SEBALD

² See footnote 2, p. 1236.

H. Alexander Smith ¹ Papers, Princeton University

The Consultant to the Secretary (Dulles) to Senator Alexander Wiley of Wisconsin

[WASHINGTON,] August 6, 1951.

DEAR ALEX: At our Delegation meeting on August 1, you asked for a statement concerning the relationship of Article 2 of the draft Peace Treaty with Japan to the Yalta Agreements.

Article 2 of the Treaty neither flows from nor confirms the agreement at Yalta. If the Yalta Agreements are treated as void, Article 2

¹ U.S. Senator from New Jersey, member of the Senate Foreign Relations Committee, and Alternate Delegate of the United States to the San Francisco Peace Conference.

would stand, for it reflects the Potsdam Proclamation of July 26, 1945² whereby the United States, the United Kingdom and China set forth the Japanese surrender terms, which Japan accepted. This agreement, publicly arrived at, embodies the fundamental terms upon which SCAP has been operating for six years. Paragraph 8 of that agreement provides that Japanese sovereignty "shall be limited to the islands of Honshu, Hokkaido, Kynshu, Shikoku and such minor islands as we determine". The Treaty confirms this paragraph. It leaves it, however, to other international processes to determine what becomes of the renounced territories, and the United States assumes no treaty commitments in these respects.

You also asked about the effect on Japan of losing these various territories, particularly with respect to the present and potential population pressure in that country.

In Sakhalin and the Kuriles the total Japanese population in 1940 was about 400,000, or one-half of one percent of the total. These areas, as parts of Japan, never sustained any substantial part of Japan's population. The respective population figures were Sakhalin, 398,000; Kuriles, 11,500. The other territories which are to be renounced by Japan did not in pre-war times provide substantial outlets for Japan's surplus population. Prior to the war when Japan had free rights of emigration to Korea, Manchuria and Formosa, the total cumulative number of Japanese who had come to live in those areas did not much exceed a million persons. Formosa, a naturally rich island with good climate which had been a Japanese colony for fifty years, had during that entire period accumulated a Japanese population of only about 350,000.

If there is any further information along these lines you desire, please let me know.

Sincerely yours,

JOHN FOSTER DULLES

² For text of the Proclamation calling for the surrender of Japan, by the Heads of Government of China, the United Kingdom, and the United States, see *Foreign Relations*, 1945, The Conference of Berlin (The Potsdam Conference), vol. II, p. 1474.

Lot 54 D 423¹

The Prime Minister of Japan (Yoshida) to the Consultant to the Secretary (Dulles)

Tokyo, August 6, 1951.

DEAR MR. DULLES, Vice Minister Iguchi has reported to me your views on the questions of the peace treaty, Japanese delegation, China,

¹ The source text cited in the heading was airpouched. Text of the letter was also transmitted in telegram 278 from Tokyo, August 7, marked "For Dulles." (694.001/8-751)

etc., which were informally discussed by him with Ambassador Sebald in the course of their conversation last Saturday, August 4. I wish to state for your information the position of my government vis-à-vis these questions.

(1) I am doing my utmost to send a non-partisan delegation to San Francisco so as to demonstrate the overwhelming support of the Japanese people for the proposed peace treaty as well as their appreciation of the American policy of goodwill and generosity. We plan to convene the Diet shortly, which will approve the appointment of the delegates and also pass a resolution, thanking the American government's—especially, your own—efforts in drafting a fair and magnanimous treaty.

My Party (Liberal), commanding an absolute majority in the House of Representatives, is, of course, united in support of the treaty.

The Democratic Party is reserving the nomination of its representative until after the close of the Diet session, although the Democrats in the House of Councillors favor the party's participation even now. As a matter of fact, none of the Democrats has any objection to the draft treaty. Their wrangling is merely a political move for face-saving.

The Ryoku Fu Kai and minor parties have already agreed to join, as you may have learned from press despatches.

As for the Socialists, they are not in a position to come out in support of the treaty unless and until they modify their party platform for an over-all peace. However, the right-wing and the middle-road members of that party have always indicated their approbation of the treaty. It is anticipated that by the time of ratification a majority of the party will have come round to its support.

(2) I well understand your apprehensions concerning the China problem. For the moment we are planning to send an economic adviser to the Formosa government (Mr. Isao Kawada, former Minister of Finance, is recommended by the Finance Minister), and to set up an overseas government agency on the island following the signature of the peace treaty. I can assure you most definitely that the Japanese government has no intention to conclude a bilateral treaty with the Communist regime.

Let me conclude by thanking you for the kind telegram you sent through Ambassador Sebald.² I look forward to the pleasure of seeing you again in San Francisco.³

Yours sincerely,

SHIGERU YOSHIDA

² Reference uncertain.

³ In telegram 211, August 9, marked "For Sebald from Dulles," the latter asked the Adviser to thank the Prime Minister for this letter. He then called attention to a number of reasons why he felt it in the interest of Japan to "soon develop status of peace" with the Republic of China. "I call attention these factors as relevant without, however, in any way desiring derogate from responsibility of Jap Govt freely to make its own decisions in this matter which will, to an important degree, affect future relations of Jap with China and other countries." (694.001/8-951)

Lot 54 D 423

Memorandum by the Secretary of State to the President

SECRET

WASHINGTON, August 7, 1951.

Subject: Japanese Treaty

Under the procedures established for completing the Japanese Treaty, all suggestions from the Governments invited to sign it must be in this week and the final text will be determined this week. As I reported to you yesterday, we are having trouble with the Philippines. Mr. Dulles and I believe that it is most important to send to them today if possible the attached note.

We both agree also that it would be of the greatest help to be able to say that you had personally considered and approved the note. I think that the note sets forth strongly ideas which you voiced at and after Potsdam and which you have already directed us to follow in the Japanese Treaty. It would be of help to us if you could read the note and, if you approve, let us say so in our message to the Philippines.¹

DEAN ACHESON

[Enclosure]²

DRAFT OF PROPOSED STATEMENT TO THE PHILIPPINE GOVERNMENT

1. The U.S. is prepared to accept the redrafting of Article 14 now proposed by the Philippine Government, except for the words which would by implication admit of future demands for monetary reparation by Japan. The Government of the U.S. cannot accept that because it would in the considered judgment of the U.S. create risks of evil far greater than the possibility of gain.

2. It would create discord and bitterness as between Allies in the Pacific and South East Asia who should develop increasing solidarity, as the Philippine Government has conspicuously recognized. As between the Allies there would ensue a competitive exaggeration of claims in an effort to get the largest possible percentage of whatever money might become available. It would create presently insolvable problems regarding China whose vast claims could not honorably be ignored if a monetary fund is to be divided. It would at once bring into play the rights of the U.S. to repayment of two billion dollars advanced to Japan for relief on the understanding, confirmed by unanimous decision of the Far Eastern Commission, that such repayment has priority over reparation. It would vitalize the U.S. right to reimbursement for \$520,000,000 advanced to the Philippines under the

¹ The following is handwritten in the margin of the original: "Approved Harry S Truman Aug 7, 1951."

² Drafted by Mr. Dulles.

Philippine Rehabilitation Act of 1946³ on the express understanding that it would be repaid out of any monetary reparation to which the Philippines might become entitled.

The Philippine Government has suggested that a solution might be found by all other Allies waiving their claims against Japan, whether for reparation, cost of war or relief, so that the Philippines would enjoy a monopoly of any money that Japan might be able to pay. The U.S. for itself has already gone far to accord a preference to the Philippines as shown by the advance of \$520,000,000 already referred to and by other very substantial economic and financial assistance since the armistice. But it is one thing for the U.S. to give a preference to the Philippines on account of historic ties of friendship. It is another thing for other countries, which have also been occupied and cruelly damaged by Japan, to waive their claims so that the Philippines alone may get monetary reparation. For the U.S. to seek that would inject a sense of unjust favoritism which could not but lead to dangerous bitterness and recrimination as between nations whose safety and welfare depends on increasing solidarity.⁴

3. The discord among Allies which we foresee would be on account of a goal which almost surely would be illusory. Monetary reparation can only be paid out of a favorable balance of international payments. Japan's balance of trade has been persistently unfavorable since the armistice. For the last four years the average excess of imports over exports has been over \$400,000,000 per annum. Permanent elements in that are the stripping from Japan of colonial areas which formerly assured her of substantial raw materials in a yen currency area and the taking, for reparation, of all Japanese external assets.

Japan's economy has been sustained during the past five years by relief advances by the U.S. totalling, as indicated, two billion dollars and more recently by U.S. payments for services in Japan in relation to the U.N. action in Korea, services which we all hope will not have to continue or be recurrent.

³ For text of Public Law 370, approved April 30, 1946, see 60 Stat. 370.

⁴ For the Philippine desire for a preferential position, see telegram 3999 from Manila, June 12, p. 1116. In telegram 142 from Manila, July 11, not printed, Ambassador Cowen had stated in part: "Strongly urge endeavor evolve mechanism for providing Phils with some preferred position on reparations." (694.001/7-1151) However, in telegram 159 from Manila, July 12, also not printed, Mr. Cowen had reported in part: "Phils concerned less with having preferred position than with Jap acceptance principle war guilt and liability for reparations." (694.001/7-1251)

In telegram 202 to Manila, July 17, not printed, drafted by Mr. Allison, the Department had advised the Embassy in part that it was "completely out of question" for the United States to ask other powers with reparations claims to give to the Philippines a preferred position regarding such claims. (694.001/7-1751) For a more extensive summary of telegram 202, see footnote 1, p. 1215.

Many countries are disposed to restrict Japan's trade, and her shipping, shipbuilding, textile and fishing capabilities.

Under the circumstances, only vigorous effort and industry by the Japanese will enable them to earn enough foreign exchange to import what they need to live in decency.

This would be impossible if the Treaty kept alive the right of the Allies to demand monetary reparation payments. That would so impair public and private credit as to make essential capital developments impossible and so contract Japanese ability to finance exports and imports as to endanger Japan's survival as a member of the free world. It would destroy Japanese initiative because the Japanese would know that the greater was their exertion the more would be taken from them.

It may be argued that no one can predict the future with certainty, and that events not now foreseen might give Japan a future ability to pay monetary reparation. That is true. But it is also true that if an economy is set up so that it must bear all unfavorable developments while deprived of the benefit of all favorable developments, there is lacking the balance needed to produce endeavor and to sustain credit, and disaster occurs which is not limited to the area dealt with.

4. All of these lessons were taught by the Treaty of Versailles. Under it reparation claims destroyed German credit and will to work. The claims were sought to be enforced by the most determined effort that history records. Certain Allied armies occupied the industrial heart of Germany, they arrested the German industrialists for allegedly sabotaging reparations, and they operated mines and factories for reparation account. But the Treaty and all the efforts to enforce it produced no appreciable reparations, but did create grave divisions as between the principal allies and set in motion inflationary forces, first in Germany, and then on a world-wide scale which many observers believe were largely responsible for the tragic economic collapse which began in 1929 and lasted until World War II.

5. The U.S. has in many ways shown that it is deeply concerned with the wrongs done by Japan in the past. Indeed the U.S. has itself been one of the principal sufferers from Japan's past aggression. But it is essential also to think of the future.

The U.S., by consent of all of the Far Eastern Commission countries, was given a special responsibility in relation to post-war Japan and the development of international peace and security in the Japan area. That responsibility is one which no other nation was in a position to discharge, and the responsibility will, as a practical matter, continue as primarily a U.S. responsibility, pending the development by the United Nations or otherwise, of a more effective security system. In

discharging that responsibility, the U.S. must in the last analysis be guided by its own judgment, formed after weighing all factors including particularly the just sentiment of our close friends, among whom the Philippines are second to none. But the U.S. cannot assume grave responsibilities and at the same time do what it is convinced would make it impossible successfully to discharge those responsibilities. To accede to demands for monetary reparation from Japan would involve us in that contradiction.

6. It is natural and proper that the Governments of the Philippines and of other invaded countries should have exerted themselves to the utmost to achieve maximum reparation for the cruel wrong done their countries. The U.S. has respected that attitude and has responded to it to the uttermost limits compatible with:

a) The preservation in the Pacific and South East Asia of allied unity and good will as against the discords, divisions, and animosities that would flow from illusory reparation clauses; and

b) The preservation, in Japan, of the spirit of cooperation, good will and healthy endeavor needed to prevent Japan's becoming a slum area of misery, discontent and hopelessness, which militant communism would take over and exploit, in combination with Communist China and Russia, to bring disaster to the remaining free nations of the Pacific and South East Asia.

7. The presently proposed text of the Japanese Peace Treaty can be compared with the March text to show how far the viewpoint of the Philippines and of other formerly occupied states has been taken into account. We do not expect that the present clauses will produce vast economic benefits. But they do give moral satisfaction to the position of the invaded peoples and they provide the possibility of economic help from Japan out of the only assets which Japan has in surplus, namely an industrially skilled population having at hand in Japan industrial capacity in excess of available raw materials. If this is freely made available to process, for reparation account, raw material which the formerly occupied countries can send to Japan there should be a considerable economic advantage to them.

7. [*sic*] Accordingly, the U.S. urges the Philippine Government to concur in the proposed Treaty of Peace with Japan as it is presently to be drafted, so that there can be a continuance of cooperative effort to create in the Western Pacific area the conditions of peace and security which give the best assurance of prosperity and well being.⁵

⁵ The following is handwritten in the margin at the end of this paper: "O.K. H[arry] S T[ruman]".

Text of this draft, along with the statement it had been personally approved by the President, was transmitted to the Embassy in Manila in telegram 470, August 7, not printed. (694.001/8-751)

694.001/8-851 : Telegram

*The Secretary of State to the Embassy in the Philippines*¹

SECRET

WASHINGTON, August 8, 1951—2 p. m.

PRIORITY NIACT

481. You are now authorized advise Phil Govt that as single package:

1. US prepared accept language reported para 1 ur 504 Aug 4 but not prepared accept language set out second para ur 504. This latter is for reasons set out Deptel 470 Aug 7² which you are authorized communicate with such formality as you think appropriate to President and MinFonAff, emphasizing that this statement has been personally and textually approved by both Pres Truman and Secy Acheson. As to pub this statement in whole or in part we await your further views.

2. US prepared in principle make Bilateral Security Treaty with Phil. This however wld have to be along lines of the Austral NZ Security Treaty rather than of North Atlantic Treaty, which is the text which Romulo apparently followed as reported ur 529 Aug 6.³

Also this Bilateral Treaty wld eliminate Council which was introduced into Austral NZ Treaty because of fact that there were three parties and because of fact recited in Preamble, "Austral and NZ as members of the Brit Commonwealth of Nations have mil obligations outside as well as within the Pac area". JUSMAG and Emb in more intimate fashion already perform similar function and any new organ wld be superfluous.

3. You will in your own way naturally emphasize determination by US continue the friendship between US and Phils; our desire in future as in past to promote their well being and security, and that in connection therewith, our good offices wld naturally be available to seek to give substance rather than mere form to Art 14(a) (1).

You will appreciate Jap Peace Treaty will be finalized on Sat for circulation on Aug 13 as set out in Cirtel 59 July 18.⁴

If agreement reached we wld seek to finalize Phil Bilateral Security Treaty for formal execution San Francisco Sept 1 when Austral NZ Security Treaty will be executed.

ACHESON

¹ Telegram drafted by Mr. Dulles.² See footnote 5, *supra*.³ *Ante*, p. 237.⁴ Not printed.

694.001/8-851 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, August 8, 1951—5 p. m.

566. In order further clarify my thinking for further talks with Phils on receipt memo referred to second para Deptel 448, Aug 6,¹

¹ See footnote 5, p. 1239.

pls cable soonest Dept's broadest definition of skills and services and also suggest own substitute for "skills" which may ease Phil sensitivity.

To Phils, as to other Asians, status of raw materials suppliers connotes colonial subservience. Any western tendency to discourage indigenous industrial development therefore automatically suspect as ruse to retain dominance economically despite relinquishment polit control. Illustrative is oratorical potency of "hewers of wood and carriers of water" frequently used here as contemptuous description colonial status.

Phils resistance Dept's proposal for reparations out of Jap skills and services stems from (1) sensitivity implication they incompetent develop own skills, (2) hostility to Jap and fear of encouraging his infiltration here by growth local dependence his skills, (3) refusal feed Jap industrial expansion at expense own incentive to industrialize, (4) suspicion our insistence hints determination prolong Phils colonial dependence via econ subterfuge. These ideas widely current even if not wholly endorsed by Phil leaders and therefore cld serve as rallying point anti-Amer propagandists.²

COWEN

² Telegram 483 to Manila, August 8, drafted by Mr. Dulles, reads as follows: "Ur 566 Aug 8, portion of 14 (a) (1) referred to might read 'by making available the services of the Jap people in production salvaging and other work for account of the Allied Powers in question'.

We see no reason why this right may not be availed of to have Jap produce not merely consumers goods but capital goods which would reduce Phil economic dependence." (694.001/8-851)

694.001/8-851 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*¹

SECRET

WASHINGTON, August 8, 1951—6 p. m.

Topad 206. Urtels 155 July 22 and 269 Aug 7.² Dept agrees your view that Clutton suggestions wld introduce further complicating factor into situation and that action this regard shld be postponed until after signature. However, believe assoc of Emperor with proceedings from beginning in every possible manner consistent with

¹ Drafted by Douglas W. Overton of the Office of Northeast Asian Affairs and cleared by, among others, Mr. Allison on behalf of Mr. Dulles.

² Neither printed. In the latter, Mr. Sebald had reported in part that Mr. Clutton had inquired (under instructions) whether it would be possible to induce the Emperor to issue some form of public statement in support of the peace treaty. (694.001/8-751)

Constitution desirable especially from view developing favorable Jap public opinion toward treaty. This might be achieved through fol steps:

1. Broad interpretation provisions Art 7 of Constitution concerning Imperial attestation credentials Ambs and Mins to cover credentials Jap Del.
2. Granting of Imperial audience to Del prior departure San Francisco and upon return.
3. Inclusion of Matsudaira or other suitable person close to Imperial Household in Del.

If you believe foregoing points wld be helpful and can be accomplished without undue complications suggest you discreetly discuss with FonOff on opportune occasion.³

ACHESON

³ In telegram 301 from Tokyo, August 11, Mr. Sebald reported in part that he had been assured by the Foreign Office that the Emperor would attest the credentials of the delegates, grant them an audience prior to departure for San Francisco, and perhaps receive them again upon their return to Japan.

"Inclusion of Matsudaira or other person close to Imperial household believed most difficult in view Jap desire not involve Emperor or Imperial household in what they consider is essentially polit matter. In view Jap sensibilities this regard I am not pushing this suggestion, but Yoshida aware my views and still giving consideration." (694.001/8-1151)

694.001/8-951

*Memorandum of Conversation, by the Consultant to the Secretary
(Dulles)*

SECRET

[WASHINGTON,] August 9, 1951.¹

Participants: Mr. G. C. Fitzmaurice,
British Foreign Office, London
Mr. F. S. Tomlinson,
Counselor, British Embassy, Washington
John Foster Dulles
John M. Allison

In the course of conversations about the Japanese Peace Treaty, Tomlinson asked me whether we interpreted the U.S.-U.K. understanding about China to prevent the signature of any Peace Treaty between Japan and any Chinese government until after the coming into force of the main Treaty of Peace.

I said I did not think that it was possible to give any categorical answer to this question. The principle involved was that there should

¹ Date of conversation; memorandum prepared on August 10.

be no Allied coercion upon Japan to adopt an arbitrary course as regards China which might prejudice Japanese best interests for the future. Under these circumstances a good deal would depend upon the degree of freedom which might, in fact, be restored to Japan after the signature of the Treaty, but before the coming into force, particularly if the latter was considerably deferred. Conceivably events, such as the Korean fighting, might make it desirable to give Japan all of the freedoms contemplated by the Treaty except sovereignty with respect to *military* matters. This illustrated how the degree of independent choice which Japan in fact acquired after signing and before "coming into force" could be an element in applying our agreed principle.

Another element was the implications of any arrangement with a Chinese government. It seemed to me that we should all be concerned not to influence Japan, during the period of our control of Japanese foreign policy, into a fictitious and unrealistic course, such as, for example, might be involved if Japan entered into a Peace Treaty with the Nationalist Government which assumed that the Nationalist Government thereby effectively dealt with all aspects of its problems with China and could effectively establish a peace which would bind all of China and all Chinese. On the other hand, it would be normal that the Japanese Government would quickly re-establish peaceful terms with the Nationalist Government in so far as the latter had effective power and a right in various international organs to participate in decisions of vital interest to Japan. Japan was eager to get into various United Nations organizations and the Allied Powers recognized the voice and vote of the Chinese Nationalist delegates and ought not to require Japan to exclude friendly relations with them. Also, trade between Formosa and Japan was of great and growing importance. It seemed to me that a treaty of peace with Nationalist China which was related only to realities and which did not involve a fiction which would exclude further development of Japanese interests in relation to China, would be something which might be promptly explored so that an appropriate treaty could come into force with Nationalist China virtually simultaneously with the coming into force of the multilateral Peace Treaty.

Tomlinson indicated that he thought the interpretation I had adopted was reasonable. However, he will no doubt report it to London and his initial reaction should not necessarily be treated as authoritative from the standpoint of the U.K.

694.001/8-951 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, August 9, 1951—6 p. m.

579. Further talk Romulo this afternoon fol Romulo's talk reaffirms opinion Embtel 569 Aug 9¹ that Phils will probably accept draft treaty as modified Deptel 481² and 483 Aug 8³ subject concurrence Quirino's fifteen man comite which will meet noon tomorrow. At out-set this afternoon's talk Romulo under instructions Quirino made final effort leave door open for monetary reparations which provided opportunity for me to read to him entire text Deptel 470, Aug 7⁴ and to tell him that any further discussion or proposals on monetary reparations now or later utterly useless.

Romulo will not press for inclusion phrase "such as" Embtel 569 Aug 9⁵ but now asks deletion words "account of" first sentence art 14 (a) (1) as subj to interpretation that production, salvaging and other work shall be chargeable.

If this proposal accepted, the language of art 14 through para one is as fols:

"(a) It is recognized that Jap shld pay reparations to the allied powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain available economy, to make complete reparations for all such damage and suffering and at the same time meet its other obligations.

Therefore, (1). Japan will promptly enter into negots with allied powers so desiring, whose present territories were occupied by Jap forces and damaged by Jap, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the services of the Jap people in production, salvaging and other work for the allied powers in question. Such arrangements shall avoid the imposition of additional liabilities on other allied powers, and, where the manufacturing of raw materials is called for, they shall be supplied by the allied powers in question, so as not to throw any fon exchange burden upon Japan".

¹ Not printed, but see footnote 5 below.

² *Ante*, p. 1247.

³ See footnote 2 to telegram 566, from Manila, August 8, p. 1248.

⁴ See footnote 5, p. 1246.

⁵ In telegram 569 Ambassador Cowen had stated in part: "Romulo has asked for inclusion words 'such as' before words 'by making available' in Deptel 483 August 8 so phrase will read 'such as by making available'." (694.001/8-951)

On subject unilateral, Romulo urges that, if treaty cannot include council, Phils would like to have something that resembles council such as relationship of PhilCUSA to ECA so that opposition cannot claim Phils in less dignified position than Australia and New Zealand. Suggest Dept cable its language for bilateral in response treaty suggestion Embtel 529 Aug 6.⁶

If agreement is reached with Phils regarding reparations clause, public statement suggested Deptel 470, August 7 unnecessary. I will cable draft of short release as soon as agreement seems likely.

⁶ *Ante*, p. 237.

694.001/8-951 : Telegram

*The Secretary of State to the United States Political Adviser to
SCAP (Sebald)*

SECRET PRIORITY

WASHINGTON, August 9, 1951—8 p. m.

Topad 220. For Sebald from Dulles. Reurtel 284, Aug 8.¹ We do not find inconsistency between second para of Preamble and Art 5. Word "when" in Art 5 not directed to the date, which is indicated by Preamble, but to the procedure, namely deposit of instruments of ratification.

Believe "Security Treaty" now proper title. Authentic text being cabled.²

We are seeking to avoid any publication or leak of terms until at or about San Francisco Conf feeling that terms cld be misrepresented by Commie propaganda to detriment of fullest adherence to Peace Treaty. Pls do all possible to assure that result your end.

Reurtel 235, Aug 2.³ We assume Security Treaty wld be signed San Francisco immed fol signature Peace Treaty. [Dulles.]

ACHESON

¹ In it the Mission had reported in part:

"FonOff Treaties Bureau suggest proposed Article 5 (Deptel 158, July 31) possibly inconsistent with para 2 preamble and recommends fol amendment last clause proposed Article 5: 'and will come into force simultaneously with the coming into force of the treaty of peace between the United States and Japan. The instruments of ratification will be exchanged at Wash D.C.'"

"Bureau also inquires whether 'security treaty' now proper title in place 'security agreement'." (694.001/8-851)
For telegram 158, see footnote 1, p. 1232.

² The text of the draft of July 31 was cabled in telegram 229 to Tokyo, August 10, not printed. For the July 31 draft, see p. 1233.

³ In this telegram the Mission had stated in part: "Also suggest Japanese Govt be apprised soonest plans for signing security treaty." (694.001/8-251)

694.001/8-951 : Telegram

The Special Representative in Europe for the Economic Cooperation Administration (Katz) to the Secretary of State

SECRET

PARIS, August 9, 1951—10 p. m.

Repsec 15. Charpentier called at his request today to inform me re Fr position on proposed most favored nation clause in Jap treaty. He said that Fr Govt had made its position clear to Dulles in opposition to reciprocal extension of MFN treatment and that this attitude was well known in Wash. Reason he advanced for taking this up with me was the possible deleterious effect which granting of MFN treatment wld have on further economic integration in Eur. He said this was particularly true in case of textiles and that certain continental countries such as West Ger and Fr including overseas wld not be prepared to extend MFN treatment. Therefore important that econ agencies US Govt be aware of reasons for Fr attitude. I replied by indicating that a number of Eur countries had extended MFN treatment to non-European countries in spite of possible effects on European economic integration to which Charpentier replied that while that was true and while efforts to remove trade barriers were continuing in GATT, the low costs of Japanese labor and the ability to undersell in such markets as North Africa and Indochina were so well known as to make it difficult for such countries as France to agree to gen MFN treatment for Japan. What the Fr Govt desired was MFN treatment by Japan and then the right to engage in bilateral trade negotiations with Jap Govt.

I assume that Dept is fully aware of this problem and do not intend to pursue it further here unless so instructed from Wash.¹

Dept pass ECA. Paris Emb for Amb.

KATZ

¹ In its note AF/DL No. 441 to the Department, August 11, the French Embassy in Washington stated in part that the insertion in the text of the Treaty of the most-favored-nation clause would encourage the O.E.E.C. countries to maintain customs barriers whose abolition might benefit Japan, an exporter of relatively low-priced products, and that this would result in nullifying attempts at European economic integration. The French Government reserved the right to invoke paragraph (d) of Article 12 in order to avoid extending to Japan the benefit of the bilateral agreements resulting from decisions taken within the O.E.E.C. (Lot 54 D 423)

In its reply of August 29 to this note, the Department in part stated its belief that reciprocity in most-favored-nation treatment would not have effect upon the O.E.E.C.'s or other efforts to secure European economic integration. O.E.E.C. members who were signatory to the Peace Treaty would have the option of according or withholding Japan most-favored-nation treatment; if they withheld it, Japan would not be obliged to grant it to them. "The Department notes that the French Government reserves the right to invoke paragraph (d) of Article 12 in this regard." (Lot 54 D 423)

Lot 54 D 423

Memorandum by the Deputy Director of the Office of Philippine and Southeast Asian Affairs (Gibson) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

[WASHINGTON,] August 10, 1951.

[Subject:] Japanese Assets in Thailand

The following is background to your appointment with the Thai Ambassador ¹ on Friday, August 10th to discuss the disposal of Japanese assets in Thailand.

Mr. Dulles and Mr. Allison, in consultation with the British negotiators for the Japanese Peace Treaty, have arrived at the position for the Department set forth below in regard to the disposal of these assets:

1. Article 16 of the Treaty provides that Japanese assets in neutral countries or those at war with any Allied power shall go to the International Red Cross for distribution to Allied prisoners of war.

2. It is the view of the U.S. and the U.K. that Japanese assets in Thailand must be regarded separately from all other external Japanese assets in view of the vesting action taken and the control assumed over a substantial portion of these assets by the Government of Thailand after its liberation. It is consequently the view of the U.S. and the U.K. that special provision must accordingly be made for disposing of such assets.

3. Because of immediate and firm British objections, and possible future objections and recalcitrance from neutral nations, it is not practical to word Article 16, or to foot note it, in such manner that a recognized exception is made for Japanese assets in Thailand.²

4. It is not realistic to hope to solve the problem by disposing of all or part of these assets to the Thai Government prior to the signing of the Treaty. The financial records and the legal actions necessary are too complicated ever to allow a settlement in the several weeks remaining. Such a settlement might at this time also carry Japanese recognition of only dubious legality.

5. The only course remaining—given U.S. policy that most of the assets should go to Thailand and recent British concurrence that a large part of them should, is to accompany the signing of the Japanese Peace Treaty with public assurances that during the period before the coming into force of the Treaty, the two signatories most directly concerned and in possession of these assets, the United States and United Kingdom, will, in view of the complicated status of the assets and the unusual position of Thailand, agree upon and carry out arrangements permitting the Thai Government to obtain permanent possession of a portion of them to be determined upon by the two sig-

¹ Prince Wan Waithayakon.

² See the note regarding Thailand first introduced (at the request of the United States) at the end of Article 16 in the peace treaty draft of May 3, p. 1024.

This note was dropped from the final draft of August 13.

natories. The Japanese Government will at the same time give public assurance of its assent to such arrangements.³

6. The American Assurances will take the form of a statement issued by Mr. Dulles on the occasion of the signing of the Treaty. It is not yet known what form the British and Japanese statements will take.³

7. A diplomatic note will be transmitted by the U.S. Government to the Thai Government between now and the signing of the Treaty conveying the foregoing position and giving assurances regarding the action to be taken.³

It is understood that in accordance with your conversation of Thursday with Messrs. Dulles and Allison, you do not plan to convey the above developments to the Thai Ambassador during the interview unless by that time we have received a reply from the British to our latest communication with them on the subject. If a reply has not been received, it is suggested that you at least reassure the Ambassador strongly that the U.S. Government is maintaining its position of support to the Thai Government's claim that it participate in the distribution of Japanese assets in Thailand and that, further, the U.S. Government feels reasonably confident that a suitable method for accomplishing this objective can be agreed upon with the other interested Governments in the very near future.⁴

³ The projected document has not been found in Department of States files.

⁴ In his memorandum of Mr. Rusk's conversation held August 10 with Prince Wan and with other American officials, Mr. Gibson indicated that Mr. Rusk gave assurances along the lines suggested above. (692.94231/8-1051)

The last document printed in this compilation regarding this topic is the memorandum of August 30 from Kenneth P. Landon, Officer in Charge of Thai and Malayan Affairs, to Mr. Rusk, August 30, p. 1310.

694.001/8-1051 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, August 10, 1951—noon.

608. For Rusk. Confirming advice given you by phone, Philippines have accepted language Embtel 579, August 9.¹

In order secure concurrence 15-man advisory committee, which was only accomplished after three-hour meeting between committee and Romulo at noon today and almost three-hour meeting between President and committee late this afternoon, Quirino agreed he would request inclusion word "also" after word "available" in first sentence

¹ In telegram 495, from Washington, August 9, not printed, drafted by Mr. Dulles, the Department had advised in part that the language quoted in Embassy telegram 579 was acceptable. Telegram 579 is printed on p. 1251.

article 14 (a) 1, or alternately, exclusion following language same paragraph: "by making available the services of the Japanese people in production, salvaging and other work for the allied powers in question." Both Quirino and Romulo understand that this request will be denied, but urge that you convey to me for transmission to Quirino rejection in the most sympathetic possible manner for satisfaction committee.

Regret necessity burdening you with even this one additional message, but know you will appreciate exigencies of bi-partisan committee which require it.²

Please convey to Amb Dulles and all others concerned my deep appreciation patient and sympathetic cooperation and understanding throughout this negotiation.

Will take up details bilateral agreement with Romulo and Quirino tomorrow morning on basis Deptel 499, August 9 [10]³ and advise you soonest.

COWEN

² The Department's telegram 510 to Manila, August 10, drafted by Mr. Dulles, began as follows: "Have given thoughtful sympathetic consideration to suggestions re 14 (a) 1 communicated urtel 608, Aug 10." There followed a recapitulation of U.S. reasons for opposing further changes in the reparations clause. The telegram concluded: "We have reluctantly and regretfully concluded that changes suggested refel wld perpetuate such uncertainty that they cld not be reconciled with our common supreme purpose. We must therefore ask you to request President and Fon Min not to press for this further change which we wld regretfully find unacceptable." (694.001/8-1051)

³ Not printed.

794.5/8-1151

The Acting Secretary of Defense (Lovett) to the Secretary of State

TOP SECRET

[WASHINGTON, August 11, 1951.]

DEAR MR. SECRETARY: The Department of Defense fully considered the draft of a US-Japan Security Treaty, which Mr. Dulles submitted to the Secretary of Defense with a letter of 10 July 1951,¹ and has made known its views informally to the Department of State. I am now forwarding to you officially the views of the Joint Chiefs of Staff and the Joint Secretaries, both dated 17 July 1951.

As you know, representatives of the Department of Defense have discussed these views at several meetings with Mr. Dulles and have reached agreement on language which has been incorporated in the enclosed drafts of the treaty and diplomatic note. This letter is to confirm the views of the Department of Defense and those agreements.

¹ *Ante*, pp. 1187 and 1186.

It is my understanding that the enclosed draft² of a US-Japan Security Treaty and the enclosed note from the Secretary of State to the Japanese Prime Minister give full effect to the security requirements, and the views of the Department of Defense are acceptable to the Department of State and have been agreed to by the Japanese Government. I would appreciate your confirmation that these are the final drafts for signing by United States and Japanese representatives which, including the Administrative Agreement, will all be signed and come into force at the same time as a Japanese Peace Treaty. In this connection, I have noted, and the Joint Chiefs of Staff have been informed of, your letter of 24 July 1951,³ particularly the last paragraph to the effect that, "It is the intention, and it will be kept within the power of the United States, to assure that the Bilateral Security Treaty and our Treaty of Peace with Japan do come into effect simultaneously." I expect to forward the comments of the Department of Defense on the Administrative Agreement to you very shortly.⁴

Since the US-Japan Security Treaty deals primarily with military matters and will provide the significant framework for United States security in the Western Pacific for several years to come, the Department of Defense would be glad to acquaint the Senate and House Armed Services Committees regarding the substance and implementation of this treaty, in line with Mr. Dulles' suggestion in his letter of 10 July 1951.

The question of the release of this treaty also concerns us in the Department of Defense in view of the military implications of possible Soviet reaction. On that account I have asked the Central Intelligence Agency to prepare an estimate of such reactions. I entirely concur in the present plans of Mr. Dulles and the Department of State to hold off publication of the treaty at least until just a few days before the San Francisco Conference.⁵ It might even be advisable, from the military viewpoint, to withhold release of the actual text of the treaty until some time after the San Francisco Conference.

I take this opportunity to extend the appreciation of the Department of Defense for the rapid success with which Ambassador Sebald in Tokyo gained the assent of the Japanese Government to the changes in the draft US-Japan Security Treaty, and for the cooperation of Mr. Dulles and the Department of State in embodying the views and recommendations of the Department of Defense in the attached drafts.

Faithfully yours,

ROBERT A. LOVETT

² Reference is to the draft of July 31, omitted here, but printed, p. 1233.

³ *Ante*, p. 1223.

⁴ See the letter of August 22 from Mr. Lovett to Secretary Acheson, p. 1281.

⁵ The Security Treaty was released to the press shortly before its signature September 8 at the Presidio of San Francisco. For text, see Department of State *Bulletin*, September 17, p. 464.

[Enclosure 1]

SECRET

WASHINGTON, July 17, 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: U.S.-Japan Security Treaty

1. In accordance with your request of July 12, 1951, for comments and recommendations on the revised text of the U.S.-Japan Security Treaty, the Joint Secretaries have considered the Treaty and recommend approval subject to the following revision:

a. The phrase "and therefore Japan desires a Security Treaty with the U.S. to come into force simultaneously with the Treaty of Peace between Japan and the U.S." should be added to paragraph 2 of the preamble of the Treaty. The Joint Secretaries, while understanding that the plans are that the Peace Treaty and the Security Treaty shall come into force simultaneously and that the Japanese Government is presently agreeable to this procedure, believe that the suggested addition is essential in order to commit the Japanese Government and thereby to assist in preventing any slip-up.

2. The Joint Secretaries believe that while it is appropriate for the Treaty to provide that the United States land, sea and air forces based in Japan shall be designed primarily to contribute to the security of Japan against armed attack from without, nonetheless definitive provisions should be included to permit the utilization of such forces for the maintenance of international peace and security in areas other than Japan or its immediate vicinity.

FRANK PACE, JR.

Secretary of the Army

DAN A. KIMBALL

Secretary of the Navy

THOMAS FINLETTER

Secretary of the Air Force

[Enclosure 2]

TOP SECRET

WASHINGTON, 17 July 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: United States-Japan Security Treaty.

1. This memorandum is in response to your memorandum dated 12 July 1951, in which the comments and recommendations of the Joint Chiefs of Staff were requested on an enclosed draft of the United States-Japan Security Treaty.

2. The Joint Chiefs of Staff are firm in the view that, in light of current and foreseeable world conditions, the security interests of the United States demand that:

a. Mutual security arrangements be made with Japan, over and above those included in a treaty of peace with that nation, which will provide for:

(1) Disposition of United States garrison forces in Japan for the security of that country;

(2) Authorization for the United States to use Japan as a base for military operations in the Far East, including, if necessary, operations against the mainland of China (including Manchuria), the USSR, and on the high seas, regardless of whether such use is under United Nations aegis; and

(3) Permission by Japan for the United Nations to continue to support United Nations forces in Korea through Japan for as long as this may be necessary; and

b. Mutual security arrangements COMPRISING ALL OF THE FOREGOING be signed and come into force at the same time as the Japanese Peace Treaty itself.

3. The subject treaty is by both name and text a security treaty. It deals primarily with military matters, and therefore military considerations should be overriding. In this light, and because of the fact that only one of the requirements outlined above, namely, the stationing of United States garrison forces in Japan for the security of that country, is included in the new draft, the Joint Chiefs of Staff consider that if this Department of State draft bilateral treaty is to stand alone without addenda, it is unacceptable.

4. The Joint Chiefs of Staff believe all of the foregoing general security requirements to be of such urgent importance to the security of the United States that they request you to obtain the approval of the President thereto.

5. The question as to whether the security arrangements set forth in paragraph 2 above should be included in a single bilateral treaty, in one or more addenda thereto or in accompanying agreements, or part in the treaty and part in one or more addenda or in accompanying agreements is a matter which lies outside the purview of the Joint Chiefs of Staff. The Joint Chiefs of Staff are insistent, however, that mutual security arrangements incorporating all of the provisions of subparagraph 2 *a* above be concluded at the same time as the treaty itself.

6. Enclosed herewith are detailed comments and recommendations with respect to the basic Department of State draft of a United States-Japan Security Treaty, all in consonance with the general security requirements stated in paragraphs 2 and 3 above.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

[Annex to Enclosure 2]

TOP SECRET

DETAILED COMMENTS ON THE UNITED STATES-JAPAN SECURITY TREATY

1. The Joint Chiefs of Staff recommend that the basic Department of State draft of a United States-Japan Security Treaty, dated 10 July 1951, be revised, expanded in scope and content, or provided with addenda or with accompanying agreements in order to incorporate the views in the succeeding paragraphs. Further, they recommend that steps be taken to insure that the mutual security arrangements which comprise all of these views are signed and come into force at the same time as the Japanese Peace Treaty itself.

2. As a matter of overriding importance and in order to meet the demands of the security interests of the United States, the mutual security arrangements with Japan proposed in the basic draft should additionally provide for:

a. Authorization for the United States to use Japan as a base for military operations in the Far East, including, if necessary, operations against the mainland of China (including Manchuria), the USSR, and on the high seas, regardless of whether such use is under United Nations aegis; and

b. Permission by Japan for the United Nations to continue to support United Nations forces in Korea through Japan for as long as this may be necessary.

3. The Preamble of the basic draft treaty does not refer to Japan categorically as a sovereign nation, although this status is implied through the reference to the Japanese Treaty of Peace. In fact, it is emphasized that the rights accruing to Japan flow largely from the Charter of the United Nations, to which Japan is not, and may not be permitted to become, a signatory. In the interest of realism and as a matter of equity, the Joint Chiefs of Staff suggest that the third paragraph of the Preamble be revised generally along the following lines:

"The Treaty of Peace recognizes that *as a sovereign nation* Japan has the right to enter into collective self-defense arrangements, and, *further*, the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defense."

4. With respect to Article 1 of the basic draft treaty:

a. The terms grant to the United States the right to "station" military forces in and about Japan. It appears desirable to remove from the language of the treaty any possible implication of a concept that United States forces in Japan are to be stationed in a compound or cantonment and thus are restricted as to the right to exercise at maneuvers. This implication would be removed if the word "dispose" is

substituted for the word "station" in the first sentence of Article 1; and

b. The second sentence is unduly restrictive, in that it implies strongly that the disposition of United States forces in and about Japan might be solely for the purpose of the defense of that nation. The strategic interests of the United States extend far beyond the borders of Japan, and further, as a member of the United Nations, the United States has a broad interest in maintaining international peace and security. From the strategic viewpoint, it would be entirely untenable for the United States to commit a significant proportion of its ready forces in such a manner that they would not be available for immediate United States use from the bases in which deployed. Accordingly, it should be made unmistakably clear that the responsibilities of the United States forces are not limited to the territory of Japan. In consonance with the foregoing, the Joint Chiefs of Staff suggest that the second sentence of Article 1 be revised generally along the following lines:

"Such disposition would be designed to contribute to the *international peace and security of the area* and to the security of Japan against armed attack from without, including assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside Power or Powers."

5. Article 2 is clear, but it is believed that it should be sharpened to insure that its terms deny to a third power any possible right of transit of armed forces, such as overflying without prior consent of the United States. This could be done by adding the clause "or transit of armed forces or military aircraft" after the word "maneuver."

6. Article 3 of the basic draft treaty refers to administrative agreements which would govern the disposition of armed forces of the United States in and about Japan. A draft of such an administrative agreement prepared by the Dulles Mission to Japan, which was received from your office on 17 February 1951, has been under detailed study in consultation with the Commander in Chief, Far East. The Joint Chiefs of Staff will forward to you their recommendation with respect to a revision of the administrative agreement in the immediate future. It should be signed and come into force concurrently with the Peace Treaty and the basic draft bilateral security treaty.

7. The terms of Article 5 of the basic draft treaty do not meet the requirement that the mutual security arrangements with Japan be signed and come into force at the same time as the Japanese Peace Treaty. The Joint Chiefs of Staff recommend that Article 5 be revised to state affirmatively that all mutual security arrangements, including administrative agreements and addenda, if any, come into force concurrently with the Japanese Peace Treaty.

694.001/8-1151 : Telegram

The Secretary of State to the United States Political Adviser to SCAP (Sebald) ¹

CONFIDENTIAL

WASHINGTON, August 11, 1951—1 p. m.

PRIORITY

Topad 233. Agreement reached with Brit that ending Art 15(a) Peace Treaty shall read: "Compensation will be made on terms not less favorable than the terms provided in the draft Allied Powers Property Compensation Law approved by the Jap Cabinet on July 13, 1951."

[Here follow instructions regarding the distribution of the draft compensation law.] ²

Brit have no objections substantive provisions draft law but have suggested certain clarifications of language which, together with few clarifications proposed by Dept and Canad Govt will be forwarded air pouch in hope they can be considered for incorporation draft law when submitted to Diet.³

ACHESON

¹ Drafted by Mr. Fraleigh and cleared by Mr. Allison.

² Text of the draft law approved by the Japanese Cabinet July 13 was released to the press August 31 and is printed in Department of State *Bulletin*, September 10, 1951, p. 429.

³ Documents in file 694.001 for the remainder of 1951 indicate that informal negotiations regarding the wording of the legislation continued among the United Kingdom, Japan, and the United States until shortly before its passage. The law went into effect on April 28, 1952.

694.001/8-1251 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, August 12, 1951—9 p. m.

582. 1. Informed by KPS Menon FonSec ¹ this morning Bajpai ² SecGen had collapsed yesterday and probably ill several days; Menon temporarily charge MEA and had been authorized receive US reply re Jap treaty ³ (Embtel 577, Aug 11 rptd London 34)⁴ I saw Menon immediately; delivered our reply in *aide-mémoire* dated

¹ His actual title was Secretary in the Ministry of External Affairs and Commonwealth Relations. Prime Minister Nehru held also the portfolio of Minister of External Affairs.

² Sir Girja Shankar Bajpai, Secretary-General of the Ministry of Foreign Affairs and Commonwealth Relations.

³ For information on the general context of discussions between the United States and India concerning a Japanese peace treaty, see the memorandum of August 29 by William L. S. Williams of the Office of South Asian Affairs, p. 1302.

⁴ Not printed.

Aug 11;⁵ and also handed him summary some oral remarks my own. He brought into discussions Chakravarty expert of MEA this matter.⁶

2. Clear to me from discussion Menon and Chak (like Bajpai) sympathetic and anxious India sign but concerned lest Nehru refuse. Menon told Nehru so immersed in bitterest party quarrel his career he wld probably have little time just now for consideration treaty but promised at least bring matter immediately Nehru's attention so latter cld if he desired present it next cab meeting. Menon stressed Nehru's main anxiety was signing treaty might add to strain Far East situation. I replied opinion my govt peace with Jap cld not await settlement all problems Far East some of which extremely complicated and might require considerable time for solution. Signing treaty wld clarify situation and wld be stepping stone settlement other FE matters if USSR and Commie Chi really wished peace and stability this area.

3. In response my question which of three specific points raised in GOI reply July 30⁷ seemed most important Chak my surprise said he thought failure outright cession territory to Chi and USSR (point *b*) whereas Menon said he thought provision envisaging retention fon armed forces Jap (point *c*). I am personally inclined believe Nehru will view most seriously provisions re Ryukyus etc (point *a*) because he may think that by signing treaty he will in effect be agreeing to US trusteeship over Asian territory.

4. Chak said if Jap shld renounce all title to Kuriles, Sakhalin and Formosa it wld not have right later cede such territories to USSR and Chi in later treaty because Art 26 precluded Jap from making subsequent peace settlement with any state granting greater advantages than are accorded in present treaty. I said I unaware US interpretation Art 26. I inclined agree Jap cld not cede territory to which it had already renounced title. I thought however it might be able despite Art 26 to recognize in subsequent treaties Kuriles and Sakhalin as USSR territory and Formosa as Chi. (Wld appreciate Dept views re this.) Chak argued since US wld probably never contest USSR title to Kuriles and Sakhalin why not frankly recognize them in treaty. I replied since USSR had already made clear it wld not sign treaty no reason for treaty provide cession territory to country not party. Furthermore our view no reason for Jap be party disposition territories which it ceded. Matter of final disposition to be arranged among Allies. We still hoped for instance some time to come to world wide agreement with USSR which wld include all territorial

⁵ Text of the *aide-mémoire* is contained in telegram 329 to New Delhi, August 9, not printed. (694.001/8-951) It was in reply to an Indian *aide-mémoire* of July 30, also not printed. (Lot 54 D 423)

⁶ Birendra Narayan Chakravarty.

⁷ Reference is to the *aide-mémoire* cited in footnote 5 above, which was a commentary on the July 20 treaty draft.

claims. Until we do why shld we enter into formal agreement ceding it territory piece meal. Both Menon and Chak seemed agree this and Chak remarked that if treaty ceded territory USSR without giving Formosa to Chi it wld make failure cede Formosa even more pointed.

5. In our discussions of Art 6(a) I endeavored stress that in signing treaty no country was necessarily giving its approval to making of subsequent security arrangements between Jap and US or to retention US forces in Jap under such arrangements. Jap and US contemplated entering into voluntary bilateral or multilateral agreements which might provide for retention certain US troops on Jap territory in interest Jap security and US desired inclusion second sentence this article so no doubt cld possibly be raised later as to legality retention or stationing US troops on Jap territory. Menon suggested India might perhaps make reservations re second sentence Art 6(a) when signing. I replied my understanding there were to be no reservations whatsoever. Chak said GOI at time signing treaty might state its signing shld not be considered as approval of any subsequent agreement to station fon troops on Jap territory. I replied such announcement my opinion wld be gratuitous but GOI had right make it.

6. Chak again pressed GOI argument that Art 3 not necessary. Jap cld voluntarily give US all rights in islands it needed in framework subsequent bilateral or multilateral security agreements all of which cld be justified under Art 5(c) of this agreement. I said in first place Art 5(c) is of such gen character that in order make clear true intentions second sentence Art 6(a) necessary. Furthermore use of these islands under UN trusteeship might be for purposes other than mere security Jap. It was possible situation might arise FE in which Jap security not immediately and directly threatened but which nevertheless might require use these islands in interests UN (Dept pls advise if I was wrong in advancing this argument which seemed impress both officials).⁸ I added furthermore it wld be much easier for any Jap Govt grant UN control these islands in peace treaty than for it do so later voluntarily. Voluntary relinquishment control territory likely subject any govt to protracted attacks by groups endeavoring arouse nationalist fanaticism. It wld not be difficult however for Jap Govt to defend its relinquishing control these islands by pointing out that such relinquishment was merely part of most liberal peace treaty. Both assented to strength this argument and Menon referred to recent "uproar" in India because of alleged cession certain areas to Bhutan in connection with settlement certain border problems.

⁸ In telegram 368 to New Delhi, August 14, drafted by Mr. Allison, the Department stated: "Dept concurs argument advanced by you re possible use Ryukyus in interests UN. If you have occasion you might point out that Art 84 of UN Charter requires administering power to 'ensure that the trust territory shall play its part in the maintenance of internatl peace and security.'" (694.001/8-1251)

7. In leaving I asked them inform Nehru I wld be glad talk with him personally if he desired further clarifications.

Rptd London 35.

HENDERSON

694.001/8-1351 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL

PRIORITY

DJAKARTA, August 13, 1951—11 a. m.

239. Indonesian mission returned from Burma afternoon eleventh. Aneta twelfth reported Yamin, non-govt member, as stating Indonesia most probably wld form common front with Burma at San Francisco on reparations issue which he considered primary condition for Indonesia's participation in signing peace treaty with Japan.

I talked briefly with FonOff SYG Darmasetiawan just prior his participation in emergency session night eleventh of Parliamentary Foreign Affairs Comite to hear FonMin Subardjo report on Burma trip and matters relating to Japanese peace treaty. Secretary of State answer to Indonesian Ambassador (Deptel 177)¹ had not been recd from Ali in time for discussion Cabinet mtg night tenth but was here for study by FonOff group on return from Burma and for discussion with Parliamentary group night eleventh. Darmasetiawan expressed satisfaction with results Burma visit and told me Indonesians still had hope of mtg in Indonesia after thirteenth with some of their Asian friends prior San Francisco conference. Indonesian Govt still stating no decision on participation until final draft recd and studied. Darmasetiawan not perturbed over US reply to Indonesian observations on treaty draft.

Minister Djuanda² called afternoon eleventh and discussed Japanese treaty with me. He said point three of US reply to Indonesian's dealing with reparations wld be only one to cause difficlty. He said he had never been hopeful of much on this issue. He said he and some other Cabinet members had toned down considerably original draft

¹ In this telegram of August 9 the Department had transmitted the text of a reply (handed that day in Washington to Indonesian Ambassador Dr. Ali Sastroamidjojo) to an Indonesian note of August 6, not printed, regarding a Japanese peace treaty. The U.S. had acceded to the request of Indonesia for reinserion in the final text of Article 1 of a reference to Japanese sovereignty. The U.K. had agreed to this change. The U.S. had declined to meet the requests of Indonesia that plebiscites be held in the territories to be detached from Japan, that the treaty text be open to revision at the San Francisco Conference, and that the Chinese People's Republic be invited to participate in the conference. With regard to the Indonesian desire for monetary reparations, the Department had reiterated the U.S. view that the proposed reparations provisions of the July 20 draft treaty were under the circumstances just and reasonable. (694.001/8-951) The Indonesian note referred to above was the only formal communication received from that country regarding any of the treaty drafts circulated up to that time. It is filed in Lot 54 D 423.

² Dr. Djuanda was Minister for Communications.

prepared by FonOff and Parliamentarians of observations on second draft treaty,³ particularly on reparations and on getting China and Russia to participate. Djuanda said he and his friends told others they were going too far in name of "independent" policy in standing up for China and Russia and might be embarrassed thereby. He is sure Indonesia will participate and sign San Francisco. I expressed appreciation his assistance of last few weeks on this issue and hope Indonesian Govt wld not make itself ridiculous by carrying "third force" idea too far. I urged stand with US and prepare for mutually happy and profitable relations with Japan.

[Here follows the remainder of this telegram concerning visits abroad by members of the Indonesian Government.]

COCHRAN

³ Presumably that of July 3.

Editorial Note

The final text of the proposed peace treaty, with two declarations by the Government of Japan and a protocol, dated August 13, was released simultaneously by its joint sponsors, the United Kingdom and the United States, at 4:00 p. m. August 15. For text, with revisions to the July 20 text, see Department of State *Bulletin*, August 27, 1951, page 349.

For revisions to the July 3 draft as of July 20, see circular telegram 57, July 18, page 1199.

For revisions to the draft of June 14 as of July 3, see circular telegram 9, July 3, page 1174.

For the draft of June 14, see page 1119.

Lot 54 D 423

Memorandum of Conversation, by the Deputy Director of the Executive Secretariat (Barnes)

RESTRICTED

[WASHINGTON,] August 13, 1951.

MEMORANDUM OF CONVERSATION BETWEEN THE PRESIDENT AND ACTING SECRETARY WEBB, AUGUST 13¹

Item B—Soviet Acceptance of Invitation to Attend San Francisco Conference.

The President himself raised the question of the Soviet acceptance of the invitation to the San Francisco conference, and said that he was

¹ The usual list of attendants is omitted in the source text.

determined that we should go forward with our plans just the same. Mr. Matthews told the President that the Department agreed with this line, although we recognize that one of the major Soviet objectives was to disrupt the Japanese Treaty. We would, therefore, have to accept a certain amount of difficulty at San Francisco which might make it harder for us to maintain the determination of some of our Allies. The President said he recognized this but was quite firm in his desire that we should attempt to move ahead with the conclusion of the treaty.

The President read and approved the draft reply ² to the Soviet acceptance, and suggested that it might be well to release this to the press at the same time we answer the Soviet acceptance. Mr. Matthews pointed out that we would at least have to wait until the reply reached the Russian foreign office. The President agreed and the question of the press handling was left to our discretion.

ROBERT G. BARNES

² For text of the U.S. note of August 16, released to the press that same day, see Department of State *Bulletin*, August 27, 1951, p. 348.

694.001/8-1451 : Telegram

The Chargé in the Republic of China (Rankin) to the Secretary of State

SECRET

TAIPEI, August 14, 1951—5 a. m.

213. Yest FonMin Yeh gave me fol verbal statement dated August 13:

Govt of Republic of Chi wishes to renew its request ¹ that US Govt, as sponsor of Jap peace treaty, accept undertaking of placing Jap under same obligation to sign a bilateral peace treaty with Govt of Republic of Chi as that under which Jap is to sign a multilateral peace treaty with the other allies. In renewing this request it is understanding of Chi Govt that the bilateral treaty is to be substantially the same as the multilateral treaty and is to be signed approx at same or not long after, signing of multilateral treaty.

Fol reasons are in support of the request:

Jap owes same obligation to Chi as she does to other allies in conclusion of peace. What Chi Govt requests US Govt to do is only to see that this obligation is fulfilled in respect of Chi.

¹ See footnote 2, p. 1185.

This request was reported earlier to the Department in Taipei's telegram 1743 of June 19, not printed. (694.001/6-1951)

In view of this obligation on part of Jap, the Chi Govt cannot agree to view that it still has to negotiate peace treaty with Japs for, by so doing, Chi wld be absolving Jap from such an obligation and hence forfeiting her own status as an allied power.

It will be recalled that conclusion of a peace treaty between Republic of Chi and Jap has been subj of a number of talks between Govt of Republic of Chi and US Govt over a considerable length of time. However, no workable scheme has yet evolved. Recent talks seem to indicate (1) that US govt desires that Chi Govt commence talks [garble] with Jap Govt with view to conclusion of a bilateral treaty; and (2) that US Govt considers it impracticable for such talks to aim at signing of a bilateral treaty simultaneously with that of multilateral peace treaty.

At this stage, Chi Govt wishes to seek clarification of fol points;

1. It appears to have been the understanding between Chi Govt and US Govt that Sino-Jap bilateral peace treaty be substantially same as multilateral peace treaty in its final form. If this understanding is to be adhered to there wld not be any necessity for Chi to negotiate with Jap on terms of bilateral treaty. In this connection Chi Govt wishes reiterate its position that while it is willing to discuss with Jap Govt such additional matters as may be of exclusive concern to Chi and Jap in conclusion of peace, it cannot take upon itself to enter into negotiation with Jap on treaty itself. Chi Govt therefore requests to be informed if a Sino-Jap bilateral treaty not substantially the same as the multilateral peace treaty is now under contemplation of US Govt.

2. Since a Sino-Jap peace treaty to be signed simultaneously with multilateral treaty is not favored, Chi Govt further requests to be informed what US Govt considers to be best timing of signing of bilateral treaty and, more specifically whether signing of bilateral treaty is to be deferred long after signing of multilateral treaty or even until coming into force of multilateral treaty.²

RANKIN

² In telegram 216, from Taipei, August 14, Mr. Rankin stated in part: "[Foreign Minister Yeh's] desire to place Japs under 'obligation' sign treaty with Chi Govt and to avoid having to 'negot' such treaty apparently stems not primarily from considerations of face but from very real problem of persuading various elements in Chinese Govt including Exec Yuan Comite to go along with idea of bilateral treaty closely resembling multilateral. Such elements probably wld prevent further steps in this direction unless appearance can be avoided of Japs sitting on high and 'choosing' between Chi Govt and Chi coms as suppliants." (694.001/8-1451)

694.001/8-1451

*Memorandum of Conversation, by the Officer in Charge of India,
Nepal, and Ceylon Affairs (Witman)*¹

SECRET

[WASHINGTON,] August 14, 1951.

Subject: Indian Participation in Japanese Peace Treaty

Participants: Madame Vijaya Lakshmi Pandit, Ambassador of
India

Ambassador John Foster Dulles

Mr. I. J. Bahadur Singh, First Secretary, Embassy of
India

SOA—Mr. William Witman

Madame Pandit having expressed the wish to see Mr. Dulles briefly before departing on consultation for New Delhi tomorrow, an appointment was arranged in Mr. Dulles' office for 5 p. m.

Mr. Dulles remarked that there were certain differences between the viewpoints of India and the United States Governments on the Japanese Peace Treaty. It was impossible, however, fully to meet the views of all countries concerned. The first draft of the proposed Treaty² had been modified at India's request and certain references to future security arrangements in Japan had consequently been omitted. As for the Ryukyu Islands, the present wording of the Draft Treaty represents a compromise between the views of those countries which wished to see us out completely (i.e., India), and of those who insisted that we remain as a barrier against the possible resurgence of Japanese militarism (i.e., Philippines, Australia, New Zealand, United Kingdom, and France).

Mr. Dulles said that he would disclose in confidence to Madame Pandit a secret which heretofore was known only within these four walls. During his negotiations with the Japanese, the question of the sovereignty of the Ryukyus had been strongly raised by the Japanese and supported in their press. Mr. Dulles thought, however, that it was important not to yield on every point to the Japanese, lest they gained the impression that we were so dependent upon them that they could force us to give them anything they liked. He had, therefore, deliberately held out on the question, although in his heart he knew that we planned to reach a settlement of this question which

¹ For information on the general context of discussions between the United States and India concerning a Japanese peace treaty, see the memorandum of August 29 by William L. S. Williams of the Office of South Asian Affairs, p. 1302.

² Reference is to the draft handed Mme. Pandit on March 28, identical to the version printed under date of March 23, p. 946.

would go a long way towards establishing a satisfactory relationship between the population of the Islands and the Japanese people. Although we do not know at this moment precisely what this arrangement will be, we plan to send out a Congressional Commission in the near future to work out the best means.

Mr. Dulles stated that he felt that we had genuinely acted in good faith and had endeavored to build a better Japan for the future. We had absolute power but did not use it. We had refrained from any suggestion of annexation of the Islands, despite pressure from other Allies that we do so, in order to avoid future questions of national prestige and constitutional difficulties which would inevitably have arisen if the United States Flag had been planted there. Referring to democratization of Japan, Mr. Dulles said that he did not go as far as General MacArthur in claiming that the Japanese had been transformed, but cited examples of democratic roots which had been planted, notably in the improvement of the position of the women of Japan and the establishment of labor unions.

Mr. Dulles concluded by expressing the hope that India would now wish to give approval to this Treaty, which we felt would help build a new world where these principles would be applied. They had not always been applied in the past in our own history or in the history of others.

Madame Pandit promised to convey these views to her Government and implied by her manner that she would support India's adherence to the Treaty.

Mr. Dulles remarked as she left that if it were anyone but her brother he would not worry. Madame Pandit replied that if it were anyone but her brother, neither would she.

Madame Pandit evidently thoroughly enjoyed the repartee on which the conversation had concluded and commented on Mr. Dulles' very evident simplicity and sincerity.

694.001/8-1451 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, August 14, 1951—7 p. m.

612. 1. Nye saw Nehru today re Jap peace treaty and found him hard to bring to point. Nehru said problem difficult and had caused him great concern. Nye report of conversation mentioned Nehru remarks substantially as fol:

2. Present Jap Govt leaders old milit clique which wld want rearm as much and fast as possible. He thought younger elements had different views and we might find govt with different outlook of picture.

3. Asked whether anything prevent Chiang Kai-Shek from signing treaty, which he thought Japan might want and US wld support. Nye had replied he thought this very unlikely as Japan much dependent, particularly economically, on reaching understanding continental China.

4. Rearmament going on everywhere cause for great concern. If US intentions were not to be distrusted . . .¹ at least its policies were. US seemed consider war, if not certain at least probable and was subordinating economic and all other considerations to that belief.

5. GOI Cabinet had in past thought no reason go San Francisco unless treaty altered, but wld not finally decide until US and UK replies cld be considered.

6. Mrs. Pandit being recalled for consultation end of week.

7. Nye said his suggestion that GOI might make statement GOI attitude at San Francisco seemed make no impression Nehru; and he (Nye) thought GOI attitude unlikely become known for week or longer.

8. Cumming-Bruce² expressed opinion that Soviet acceptance invitation to conference likely cause GOI wait and see what transpires at conference.

HENDERSON

¹ Ellipsis in the source text.

² F. E. Cumming-Bruce, Assistant Secretary in the Office of the United Kingdom High Commissioner in India.

Editorial Note

Special Estimate 11, "Probability of a Communist Assault on Japan in 1951," was printed in final form by August 15. It bears this notation: "The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and Joint Staff participated with the Central Intelligence Agency in producing this estimate."

The authors of this Estimate stated that the USSR had the capability of invading Japan and described this capability in some detail. However, in a section headed "Indications" they stated that there was no reliable evidence of a Soviet intent to undertake an early invasion of Japan. There were "reports alleging Sino-Soviet plans to initiate expanded hostilities in the fall" but these reports were of unknown reliability. Under "Probabilities" the Estimate reads in part: "Available indications do not suggest that an early Soviet invasion of Japan is probable. However, these indications would not in themselves necessarily be conclusive. . . . The USSR might take the risk of pre-

ecipitating general war if it foresaw an immediate threat to its vital interests. We do not believe that the Kremlin is likely to conclude that the signing of the US-UK sponsored Japanese Peace Treaty and/or Japanese rearmament alone constitutes a threat to its vital interests during the remainder of 1951." (Files of the Bureau of Intelligence and Research)

794.5/8-1151

The Acting Secretary of State to the Secretary of Defense (Marshall)

TOP SECRET

WASHINGTON, August 15, 1951.

MY DEAR MR. SECRETARY: Thank you very much for your letter of August 11¹ forwarding the drafts, as agreed to informally between the Departments of State and Defense, of a United States-Japan Security Treaty² and an accompanying note to the Prime Minister of Japan to be signed by the Secretary of State.³

The draft of the United States-Japan Security Treaty as forwarded in your letter does represent the final text of that document.⁴ It is planned to sign it at San Francisco promptly following the signature of the Treaty of Peace with Japan.

The exchange of notes with the Prime Minister of Japan will take place at the time of signature of the Security Treaty. As Mr. Dulles informed your representatives during the discussion of this document, however, it may be that the language at the end of the second paragraph and at the beginning of the third paragraph will need to be altered somewhat in the light of what actually happens in Korean armistice discussions. It may also be necessary to eliminate the word "preventive" from the first sentence of the second paragraph since there is some question as to whether the current United Nations action in Korea is "preventive" or "enforcement" action.⁵ That part of the third paragraph, however, which sets forth Japan's commitments represents the final wording of the note.

It is the intention, and will be kept within the power of the United States, to assure that the Security Treaty, with its accompanying exchange of notes, and the Administrative Agreement implementing the

¹ Reference is to Mr. Lovett's letter of that date, p. 1256.

² The draft is printed instead under its date of July 31, p. 1233.

³ For information on this note, see the bracketed interpolation within the text of telegram 169, to Tokyo, August 2, p. 1234.

⁴ See, however, the document and notes, *infra*.

⁵ Modification of the final text is described in the reference cited in footnote 3 above.

Security Treaty, come into effect simultaneously with the Treaty of Peace.

The question of signing the Administrative Agreement at the same time as the other documents raises a number of practical difficulties. The Defense Department's revision of the Agreement has not as yet been received in the Department of State and the time remaining between now and the departure for San Francisco is so short that it is doubted whether it is feasible to reach agreement between our two Departments and negotiate the details of such a complicated document with the Japanese before September 4. I am sure that you are well aware that the time of signing of this Agreement bears no relation to the time when it shall come into force.

The Department of State concurs with your view that publication of the Security Treaty should, if practicable, be delayed until signature.

It is noted that the Department of Defense would be glad to acquaint the Senate and House Armed Services Committees regarding the substance of the Security Treaty.

I would like to take this opportunity to express our appreciation of the cooperation shown by your office and the Joint Chiefs of Staff in enabling us to reach mutually satisfactory agreement on the terms of the Japanese Peace Treaty, the Bilateral Security Treaty and the notes to be exchanged.

Sincerely yours,

JAMES E. WEBB

694.001/8-1551 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

TOKYO, August 15, 1951—6 p. m.

Topad 330. Re Deptel 229, Aug 10.¹ Authentic text security treaty transmitted FonOff, which has submitted fol comments under date Aug 15:

Begin text. Fol points concerning formalities are suggested to US Govt for its consideration:

1. After word "accordingly", following words be added: "the two countries have agreed as follows:"
2. Instead of depositing instruments of ratification, they wld be exchanged at Washington. Exchange of ratification is internationally established practice in case bilateral treaties.

¹Not printed. In it was transmitted the text of the security treaty draft of July 31, p. 1233.

3. Usual finishing clause reading as follows be added: "in faith thereof the undersigned plenipotentiaries have signed the present treaty. Done at (blank) this (blank) day of (blank) 1951, in duplicate in the English and Japanese languages".

4. Paras 1 to 5 might better be named Article 1, Article 2, etc., as they are so referred to in text.² *End text.*

Jap translation security treaty being airpouched.

Substance Deptel 220, Aug 9³ communicated informally to FonOff August 10.

SEBALD

² In telegram 263 of August 16, drafted by Mr. Dulles, the Department replied as follows: "We accept the four points and will cable text clause dealing with exchange ratifications." (694.001/8-1651)

³ *Ante*, p. 1252.

Lot 54 D 423

The Prime Minister of Japan (Yoshida) to the Consultant to the Secretary (Dulles)

[Tokyo,] August 18, 1951.

DEAR MR. DULLES: Our nation rejoices to see the provision added to the Final Draft of the peace treaty¹—Chapter III, Article 6, (b)—calling for the carrying out of repatriation to the extent not already completed.

The clause gives comfort to many homes of the unrepatriated. It will still the hue and cry raised by the unscrupulous, who have turned the question into a political weapon wherewith to attack and harass the government. I want to thank you for your consideration and thoughtfulness in making the insertion.

We have just had a 3 day special session of the Diet,² which has sanctioned the appointment of its members to government positions (delegates and alternate delegates). I have succeeded to a large measure—in making our delegation an impressive body such as you want. The Democrats have consented today to send the No. 1 man of their party as a plenipotentiary.³ Only the Socialist Party remains obdurate and cantankerous as ever.

I plan to take a Pan-American plane, stop over at Honolulu for a day's rest and arrive in San Francisco on September 2.

Yours sincerely,

SHIGERU YOSHIDA

¹ Reference is to the draft of August 13.

² Held August 16-18.

³ Gizo Tomabechi.

Dulles Papers

Memorandum by the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] August [1]9[?], 1951.

MEMORANDUM OF TELEPHONE CONVERSATIONS REGARDING THE INVITATION TO GENERAL MACARTHUR TO ATTEND THE SAN FRANCISCO CONFERENCE—COLONEL BUNKER,¹ GENERAL WHITNEY²

On Saturday, August 11, 1951, at 11:20 a. m. I telephoned to Colonel Bunker, General MacArthur's Aide, that there was now agreement from the White House and State Department to the idea of the General's coming out and making a speech at San Francisco, the idea being that he would be the first speaker at the first business session, so that President Truman would have spoken the day before, MacArthur next, and I would speak after him. The thought was that he and I between us would cover the background of the Treaty, he dealing with the occupation and I picking up with the Treaty negotiations.

I then read him the text of a suggested statement³ prepared by the State Department and cleared with the White House, a copy of which is annexed hereto. I asked Colonel Bunker to submit this text to the General and let me know whether it was acceptable, or what modifications seemed to him desirable.

On Saturday afternoon, August 11, at 1:15 p. m. General Whitney called me at my home and told me that the suggested statement was totally unacceptable, that it seemed to put General MacArthur in a position of an attendant to the U.S. Delegation, a role which was unacceptable and incompatible to that which he had played in Japan, where he had been the Supreme Commander for the Allied Powers and not a United States official.

¹ Col. Laurence E. Bunker, aide-de-camp to General MacArthur.

² Maj. Gen. Courtney Whitney, A.U.S. (ret.), former Chief of the Government Section, GHQ, SCAP.

³ This proposed statement, dated August 9, reads as follows:

"The White House announced today that General MacArthur has accepted an invitation to assist the U.S. Delegation in presenting the background of the Japanese Peace Treaty to the Japanese Peace Conference scheduled to convene in San Francisco.

"The Conference will be opened on Tuesday, September 4, with an address by President Truman. The first working session, at which views of delegations will be presented, will be held on Wednesday, September 5. It is expected that the United States and United Kingdom delegations, as co-sponsors of the draft Treaty, will present at an early stage the background of the Treaty and an analysis of its terms. General MacArthur has accepted an invitation by the U.S. Delegation to present on its behalf a review of the postwar period in Japan based upon his five and one-half years' experience as Supreme Commander for the Allied Powers."

General Whitney said that it was General MacArthur's feeling that he could not attend the Conference except at the invitation of the Allied Powers as a whole.

I told General Whitney that I was disappointed in learning of this reaction because, while it was understandable it raised very serious practical problems. The United States could not speak on behalf of all the Allies, or on behalf of the Conference, that only after the Conference had convened could the matter be considered and I doubted whether it was wise or practical to interject his appearance as a controversial issue.

I suggested that I would be glad to come up to New York and talk the matter over further personally with General MacArthur. I suggested Tuesday or Wednesday.⁴ General Whitney said he thought that Tuesday was already full of engagements but that Wednesday might be all right and he would look into the matter.

That evening, or the following evening, Colonel Bunker called me at home and told me that General MacArthur would be glad to see me either Tuesday or Wednesday but that he thought it was hardly worthwhile discussing the matter unless I felt it possible to find an international basis for the invitation.

The following Sunday, August 12, 1951, we received word of the prospective Russian attendance and I called Colonel Bunker on Tuesday at 10:10 a.m. to tell him the new problem injected by the Russians attendance would probably tie me up in Washington so that I would not be able to discuss the matter further with the General until Saturday,⁵ when we were planning to lunch together. I said that the presence of the Russians was raising additional difficulties in the way of an Allied invitation as, of course, the Soviet Delegates would make this a major issue and might filibuster against it so long that the invitation would become an academic matter. However, I still hoped something could be worked out and would want to go over the whole situation with the General on Saturday.

On Thursday, August 16, after the story in the *New York Herald Tribune* had aroused so much interest, I telephoned Colonel Bunker at 8:50 a. m. and we agreed that we would not make any comment. I telephoned him again at 10:55 with reference to the comments made by the President at his press conference.⁶ I told him that I might have to make a statement but that I would first get the President's actual

⁴ August 14 and 15.

⁵ August 18.

⁶ The following exchange occurred at Mr. Truman's press conference held August 16:

"Q. Mr. President, there is a published report this morning that General

remarks. Mr. Short dictated the verbatim text to Mr. Rusk and I telephoned it to Colonel Bunker at 11:16 and read to him my proposed statement ⁷ on which we agreed.

JOHN FOSTER DULLES

MacArthur will address the Japanese Peace Conference in San Francisco next month. Has he been invited to speak—

"THE PRESIDENT. I don't know. It will be all right, if he wants to address the Conference. I would have no objection to it whatever. And if the State Department invites him, he undoubtedly will. I think Mr. Dulles covered the situation pretty well." (*Public Papers of the Presidents of the United States: Harry S. Truman, 1951* (Washington, Government Printing Office, 1965), p. 465.)

The last sentence refers to Mr. Dulles' radio address of August 15. Excerpts are printed in the Department of State *Bulletin*, August 27, 1951, p. 346.

⁷ An attached statement dated August 16 reads: "Mr. Dulles has consulted frequently with General MacArthur about the Japanese Peace Treaty and related problems. It is expected that such consultations will continue. Obviously, in view of General MacArthur's 5½ years' service as Supreme Commander for the Allied Powers in Japan, the possibility of his participation in a suitable way in the San Francisco Conference has been a matter for consideration. No arrangements in the matter have been reached."

Lot 54 D 423

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State ¹

[WASHINGTON,] August 20, 1951.

Subject: Invitation to Associated States of Indochina to Attend San Francisco Conference

Problem

To decide whether or not to invite the three Associated States of Indochina to attend the Japanese Peace Conference at San Francisco.

Discussion

All of the Associated States, as well as France, have made vigorous representations to the Department with a view to having the Associated States invited to the San Francisco Conference. The Department has ascertained through telegrams to the U.S. Missions in various countries that India, Indonesia and Burma would definitely not be in favor of issuing such invitations. These States do not recognize the Associated States of Indochina and look upon them as French puppets. It has been feared that if an invitation were issued to these States, it might be the factor which would swing the balance against participation at San Francisco by India, Indonesia and Burma. On the other hand, France has taken a very strong position and at one point

¹ Memorandum drafted by Mr. Allison.

stated that it would be most difficult, if not impossible, for Foreign Minister Schuman to come to San Francisco if the Associated States were not invited. Pakistan ² and Ceylon have agreed to extending invitations and the Philippines has indicated it would not object.

Acceptance by Russia of the invitation to the San Francisco Conference has, however, altered the situation as it now seems likely that the doubtful states, such as India, will attend and the fact of an invitation to the Associated States will not block such attendance.³ In the circumstances, it is believed the Associated States should be invited to San Francisco and it has been ascertained that the United Kingdom, joint sponsor of the Treaty draft, agrees with this position. The American Ambassador in India, Mr. Henderson, in his telegram 657 of August 19,⁴ also agrees with this view. In view of the fact that in the last analysis India, Indonesia and Burma may refuse to sign the Treaty and as it is believed important for as many Asiatic States as possible to sign, it is considered advisable to issue an invitation to the Associated States as soon as possible.

Recommendation

It is therefore recommended that an invitation be issued at once to the three Associated States and that this then be made public.⁵

² In telegram 174 from Karachi, August 17, Ambassador Alva M. Warren had reported that the Foreign Minister, Sir Mohammed Zafrullah Khan, had informed him Pakistan would not object to participation of the Indochinese states in the Japanese Peace Conference. (694.001/8-1751)

³ In telegram 1032 to London, August 17, drafted by Mr. Allison, the Department had stated in part its opinion that India might not sign the treaty even if it attended the conference. (740.5/8-1751)

⁴ In this telegram the Ambassador had stated in part his advice that India be informed of the U.S. [and U.K.] decision to invite the Associated States to the conference before the Government of India made its decision regarding acceptance of its own invitation. "Otherwise GOI might charge US, at least, with bad faith, if, after GOI decision to attend conf San Francisco, we shld announce intention invite three Assoc States after having indicated last month (Embtel 187, July 13, not printed) that we disinclined invite them if GOI opposed which we know has been case." (694.001/8-1951) The final British decision to concur in the invitations to the Associated States had been communicated to the Department and to the Embassy in India on August 18. (Telegram 937 from London, August 18, repeated to New Delhi as number 31, 694. 001/8-1851)

⁵ At the end of this memorandum, unsigned but apparently in Mr. Rusk's handwriting, is the following sentence: "We are already strongly committed on this point."

The entire text of the Secretary's memorandum of Item 3 of his conversation held with the President, August 20, follows: "The President approved an invitation to the Associated States of Indochina." Remaining items did not concern Indochina. (Lot 53 D 444)

However, in despatch number 418 from New Delhi, August 21, Fraser Wilkins, First Secretary of Embassy, reported in part that on the previous day the Embassy had informed the Indian Government of the decision of the United States to invite the Associated States to the San Francisco Conference, as the Embassy had been instructed to do by the Department's telegram 405 of August 18, not printed. (694.001/8-2151)

694.001/S-2151 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET

WASHINGTON, August 21, 1951—3 p. m.

164. Reur 213 Aug 14² and 222 Aug 15³ Dept approves line you have taken with FonMin and desires you explore further with him suggestion last para ur 222 on understanding any formula wld require reference to Wash for consideration and approval.

Dulles has discussed this problem at length and on several occasions with Am Koo who is believed to be sympathetic and is understood have put to Taipei certain suggestions along these lines. Apparently he has failed however to secure approval his ideas or alternative language and for this reason Dept believes scene of effort shld now be transferred Taipei as nearer Gimo.

In present situation our overriding concern is to restore sovereignty to Japan and liquidate the occupation, an object which is equally in the Natl Govts interest. To achieve this, first essential is that the Jap peace treaty be signed by majority members FEC. Otherwise it might be easy for USSR and other possible nonsignatory FEC powers to claim inheritance of occupation rights and take action contrary to US interest in Japan. Such action wld be made more difficult in proportion to number FEC countries who sign multilateral treaty. Careful early poll of FEC members showed majority wld not sign multilateral treaty if Natl Govt were signatory, despite US desire and open efforts for Chi Natls participation.

Solution worked out by Dulles with Morrison was maximum US practically able to obtain. This left to Japs bilateral negot with China with Jap as free agent and not in response to occupation directive.

FYI only we have written assurance from Yoshida that Jap Govt has no intention negotiating with Commie China. Deptel 185, Aug 17⁴ reports Dulles conversation Aug 9 with rep Brit Emb Wash⁵ setting

¹ Telegram drafted by Mr. Merchant and cleared by, among others, Mr. Perkins. Repeated for information to the U.S. Political Adviser's Mission in Tokyo as telegram Topad 291.

² *Ante*, p. 1267.

³ In this telegram Chargé Rankin had in part stated he had told Minister Yeh that the Department would not wish actually to use the word "obligation" as describing the Japanese position toward the Chinese Government in arranging a bilateral treaty due to the delicacy of the entire situation. He had concluded:

"In discussing matter with Amb Koo on basis FonMin's verbal statement (mytel 213, August 14) Dept might consider attempting satisfy legitimate Chi Govt desires by some form of assurance US will do its best to see that Japs sign bilateral treaty with Chi Govt shortly after San Francisco signing, on condition Chi Govt seek no significant changes from multilateral draft and accept suitable clause re scope of application." (694.001/S-1551)

⁴ Not printed.

⁵ *Ante*, p. 1249.

forth Dulles understanding his agreement with Morrison re timing and any action our part vis-à-vis Japs in matter.

In discussion with FonMin you shld point out US has endeavored protect rights China as fully as possible in multilateral treaty. Note Arts 21 and 26. US will accordingly facilitate in all appropriate ways conclusion bilateral between Natl Govt and Japs. We agree with FonMin it shld be unnecessary for Chi Govt to negotiate with Jap Govt re any provisions covered in multilateral. Under Art 26 Jap is obligated to extend these to China. Negot therefore wld in US view be ltd to those additional subjs of Chi-Jap interest not covered in multilateral which either of parties might desire discuss.

During such negots or possibly as condition precedent their start, Japs may well insist on acknowledgment by Chi Natl Govt inability latter to enter at this time into treaty which wld bind all of China and all of Chi. Extent to which US wld feel itself capable of exercising influence on Japs to proceed with bilateral negot wld be determined by willingness of Chi to devise or accept some formula which wld ack such limitation. We cld not in good conscience exert our admittedly important influence with Japs to agree to treaty with Chi Natl Govt which failed to recognize latters present inability to bind all China for performance under treaty. Difficulty of arriving at such formula is fully recognized here in light possible effect on Natls position in UN and related factors.

You shld emphasize to FonMin US objective from start has been to protect prestige Chi Govt to maximum feasible extent in difficult situation. You may wish, however, at some point to remind Chi that Chi Govt chose course directly contrary advice given Koo by Dulles by making public issue on prestige when it had opportunity to minimize damage by taking initiative itself and publicly asserting greater length of war and other factors required separate bilateral fol gen multilateral terms but reflecting elements peculiar to Sino-Jap war.

In answer to first question urtel 213 US has had in mind throughout that Sino-Jap bilateral wld faithfully follow multilateral terms.

Reur second question same reftel US unable give categoric answer at this time. Whereas it wld directly counter our agreement with UK for Sino-Jap treaty to be signed prior to signature multilateral, or within such few days thereafter as to raise matter of Jap free choice we by no means exclude Sino-Jap signature prior to multilateral going into force. Much wld depend upon Jap attitude and effective powers of Japs which wld in turn depend upon how far and how fast SCAP might turn back powers to Jap Govt in interregnum.⁶

ACHESON

⁶ In telegram 273 from Taipei, August 24, Mr. Rankin replied to this message as follows: "Substance Deptel 164, August 21, re Jap treaty discussed with FonMin who promised expedite draft formula for scope of application." (694.001/8-2451)

694.001/8-2151 : Telegram

The Ambassador in Burma (Key) to the Secretary of State

SECRET

RANGOON, August 21, 1951—4 p. m.

208. Depcirtel 138, August 15.¹ In conversation with Emb representative Aug 19 Assistant Secretary FonOff predicted GOB wld refuse invitation San Francisco conf despite USSR acceptance. He pointed out that as GOB did not intend signing treaty there was nothing to be gained by sending delegates to conf. In his opinion Russian acceptance conf invitation merely for purpose making trouble. Thus GOB wld be accused of siding with Soviet Union if it attended conf and then refused to sign. Assistant Secretary suggested possibility Asian countries wld make separate treaty with Japan.²

KEY

¹ Not printed.

² In telegram 216, from Rangoon, August 23, the Embassy reiterated its belief that Burma would not attend the conference, and stated that Burma's fear of mainland China was the basic factor in her attitude. (694.001/8-2351)

Burma conveyed its decision formally to the Department in its Embassy's note of August 27. The Burmese Government stated that its positions on reparations, the status of Formosa and the Ryukyus, and the retention of foreign troops in Japan would prevent its signature of the Treaty, and that therefore no useful purpose would be served by its attendance at the proposed conference. (Lot 54 D 423)

611.94/8-2251

The Acting Secretary of Defense (Lovett) to the Secretary of State

SECRET

WASHINGTON, 22 August 1951.

DEAR MR. SECRETARY: I am forwarding for your information and consideration a memorandum of 8 August 1951 from the Joint Chiefs of Staff which contains their views on the proposed Administrative Agreement to implement the US-Japan Security Treaty, and incloses a completely revised draft of this Agreement.¹

Because of the important legal considerations involved, the draft Agreement has been carefully reviewed by the Defense Department's Office of General Counsel. They have advised me that in its present form the draft Agreement presents several legal questions which will need to be resolved between our two Departments.

Faithfully yours,

ROBERT A. LOVETT

¹ Not found attached. Text of the draft referred to here was apparently identical to that of an undated draft enclosed with a memorandum of October 3 from Mr. Hemmendinger to Mr. McClurkin, neither printed. (611.94/8-2251)

[Enclosure]²

SECRET

WASHINGTON, 8 August 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Documents Relating to the Japanese Peace Treaty.

1. By memorandum from the Office of the Secretary of Defense dated 17 February 1951,³ the Joint Chiefs of Staff received a draft of an "Administrative Agreement between the United States of America and Japan to Implement the Provisions of the Agreement They Have Entered into for Collective Defense" which had been prepared by the Dulles Mission to Japan.⁴ There is enclosed herewith a recommended revision of that draft administrative agreement. The comments of the Joint Chiefs of Staff on this draft are so extensive that a complete revision of the administrative agreement appears appropriate. Those clauses which represent changes over the previous draft, and the new material which has been included, are based upon lengthy study among the Services as well as upon consultations with the Commander in Chief, Far East (CINCFE).

2. An extensively revised Addendum is also included.⁵ This Addendum covers only in general terms the categories of facilities and services which Japan will be expected to furnish. It is planned to formulate detailed lists of specific facilities and areas to be retained by United States Forces (future Annex "A" to the administrative agreement), and of specific facilities and services to be furnished by Japan at its expense (future Annex "B" to the administrative agreement), for eventual attachment to the basic administrative agreement as annexes. These voluminous details are not yet finalized, but it is hoped that they will be received from CINCFE by 1 October 1951.

3. A new paragraph on jurisdictional matters has been inserted in the administrative agreement (paragraph 7, Chapter I, CONDITIONS FOR GARRISON OF TROOPS). The terms of this article provide, among other things, that there should be no Japanese criminal jurisdiction over United States armed forces and civilian employees and dependents. In order to secure to the commanding officers of the United States forces powers necessary for the effective accomplishment of their respective military missions and to preserve the morale of their members

² Apparently the source text attached here, and bearing the date August 8, was substituted at a later date. (See footnote 4, p. 1286.) Department of Defense records indicate that in the JCS memorandum as despatched on August 8, paragraph 3 read as indicated in footnote 6, below.

³ Not printed.

⁴ See Annex IV to the letter of February 10, from Mr. Dulles to Secretary Acheson, p. 876.

⁵ Text, not printed, enclosed with the document cited in footnote 1 above.

in Japan where the standards and system of justice are not familiar and do not accord with those recognized in the United States as inherent to its citizens, it is considered essential that the U.S. armed forces exercise to the fullest extent possible exclusive jurisdiction over their members.⁶ An agreement with Japan along the lines of the NATO agreement⁷ is not only inappropriate, but it would be unacceptable from the military point of view. Under the conditions which will exist in Japan, it is necessary that the United States have in time of peace those jurisdictional rights which it requires in war. The Joint Chiefs of Staff feel that the administrative agreement with Japan should grant to the United States such jurisdictional rights. Accordingly, they recommend the inclusion of a paragraph granting such rights, substantially along the lines as recommended in paragraph 7 of the enclosed revised draft.⁸

⁶ In the JCS memorandum as originally sent to the Secretary of Defense on August 8, and apparently as sent to the Department on August 22, the following sentence was between "members." and "An": "In this connection, the Joint Chiefs of Staff feel that the position of Japan, as a conquered nation and as an oriental nation is not analogous to that of the North Atlantic Treaty Organization (NATO) nations with which agreements have been negotiated on jurisdictional questions. Further, the reasons for, and conditions of maintaining United States garrison forces in Japan are not wholly similar to those governing the stationing of United States forces in Europe." (Department of Defense files)

⁷ For text of the agreement between the parties to the North Atlantic Treaty regarding the status of their forces, signed at London, June 19, 1951, see TIAS No. 2846 or 4 UST (pt. 2) 1792.

⁸ Text of chapter I, paragraph 7 of the draft cited in footnote 1 is as follows:

"7. (1) It is the duty of members of the United States armed forces, civilian personnel accompanying the United States armed forces including families, who are subject to United States Military Law, to respect the laws of Japan. However, all such personnel (except indigenous personnel) shall be immune from the criminal jurisdiction of Japan; provided that in particular cases the United States may waive such immunity. Such persons shall also be immune from the civil jurisdiction of Japan in cases arising out of incidents occurring as a result of the performance of their official duties.

(2) The United States shall have exclusive control over all areas in Japan while utilized by the United States forces. While these areas are so utilized, the United States authorities shall have the exclusive right to arrest and take into custody persons therein; however, should persons who are subject to the jurisdiction of Japan and not the jurisdiction of the United States be arrested in such areas, the United States authorities shall remand them promptly to the proper Japanese authorities. Outside of areas controlled by the United States, Japanese authorities shall assist in the arrest and detention of persons who are under the jurisdiction of and are sought by the United States, and shall remand promptly to the United States authorities all such persons so arrested or detained.

(3) The Government of Japan will make available to the United States authorities such Japanese nationals or other persons who are subject to the jurisdiction of Japan who may be required by the United States authorities as witnesses, and will assist the United States authorities as they may require in carrying out investigations into offenses and the trial of offenders, and in the collection of evidence to include the seizure of and handing over to the United States authorities objects related thereto."

4. The terms of the original draft of Chapter IV, COLLECTIVE DEFENSE MEASURES, provided for the appointment of a Supreme Commander (designated by the United States) over all United States and Japanese forces in the event of hostilities or imminent threat thereof, "after consultation with the Japanese Government." The Joint Chiefs of Staff are concerned lest the Japanese Government, by reason of a difference of opinion with the United States Government, delay or even attempt to veto any such appointment in the eventuality of a situation which the United States might consider as warranting the establishment of a unified command. Accordingly, the Joint Chiefs of Staff particularly recommend revision of Chapter IV substantially along the lines of the enclosed revised draft.⁹

5. In light of the substantive matters covered by the administrative agreement, which would govern the disposition of armed forces of the United States in and about Japan, and in light of the importance of those matters to the security interests of the United States, the Joint Chiefs of Staff strongly recommend that the administrative agreement, with annexes and addenda as required, be signed and come into force concurrently with the Japanese Peace Treaty and with the bilateral United States-Japan Security Treaty from which the administrative arrangements flow. The proposed detailed annexes to the agreement, referred to in paragraph 2 above, need not be signed at the same time, but should come into force at the same time as the other agreements, particularly the Treaty of Peace with Japan.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

⁹ Text of chapter IV in the draft cited in footnote 1 is as follows:

"1. In the event of hostilities or when in the opinion of either party hostilities are imminently threatened in the Japan area, all United States forces in the Japan area, and all Japanese organizations, excepting local police, having military potential, shall, at the option of the United States, be placed under the unified command of a Supreme Commander designated by the United States Government.

"2. In the event of hostilities, or imminently threatened hostilities, the Supreme Commander of all forces in Japan, designated in accordance with paragraph 1 above, shall have the authority to use such areas, installations and facilities in the Japan area and to make such strategic and tactical disposition of military forces in that area as he may deem necessary. In taking such actions, the Supreme Commander shall advise appropriate military authorities of the Japanese Government.

"3. In locating the aforesaid areas for strategic and tactical disposition, the fullest consideration consistent with military necessity shall be given to the welfare, health and economic needs of the local population."

611.94/8-2251

*Memorandum by the Deputy to the Consultant (Allison) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

SECRET

[WASHINGTON,] August 22, 1951.

Subject: Joint Chiefs of Staff Comments Regarding the Administrative Agreement between the United States and Japan Implementing Provisions of the Bilateral Security Treaty

The memorandum of August 8 to the Secretary of Defense from the Joint Chiefs of Staff² forwarded in Mr. Lovett's letter of August 22, 1951,³ contains such important statements regarding the whole philosophy of the peace settlement with Japan and is at such great variance with what I believe are the fundamental principles of the Peace Treaty and present thinking regarding post-war policy toward Japan that I believe definite action should be taken at once in order to get a decision from the highest quarters regarding the matter.

While it might be possible with some minor changes to agree to the Joint Chiefs of Staff redraft of the Administrative Agreement forwarded in its memorandum of August 8, the covering memorandum cannot, in my opinion, be ignored.

Paragraph 2 states that the details necessary for the formulation of specific facilities and areas to be retained by United States forces and specific facilities and services to be furnished by Japan at its expense cannot be finalized until at least October 1, 1951. Nevertheless in paragraph 5 of the Joint Chiefs of Staff memorandum, they strongly recommend that the Administrative Agreement be signed and come into force concurrently with the Japanese Peace Treaty and with the Bilateral United States-Japan Security Treaty. I do not believe any Japanese Government, except under duress, will sign such an agreement which leaves for future reference what to the Japanese must be one of the most important aspects of the agreement, namely, a definite indication of what facilities will be returned to Japan after the Treaty goes into effect and what Japan will be required to furnish either in money or in goods and services. It also should be borne in mind that if the Department of State concurs in this arrangement, it will be extremely difficult for us to have any real influence in what facilities are returned to Japan and may indefinitely delay the Department of State's regaining control of properties it has already purchased for its own use in Japan.

Paragraph 3 of the Joint Chiefs of Staff memorandum of August 8 is, however, the most significant and most objectionable. This refers

¹ Memorandum distributed also to Mr. Dulles.

² See footnote 4 below.

³ *Supra*.

to a new paragraph on jurisdictional matters which has been inserted in the Administrative Agreement which provide, among other things, that there should be no Japanese criminal jurisdiction over United States armed forces and civilian employees and dependents. The paragraph goes on to state that this is necessary to preserve the morale of the members of the security forces in Japan.

“. . . where the standards and system of justice are not familiar and do not accord with those recognized in the United States as inherent to its citizens, . . .”

This statement by the Joint Chiefs exhibits complete ignorance of Japanese history as well as lack of confidence in the achievements of the Occupation undertaken in great part by the representatives of the Defense Department. In 1899 Japan became the first Asiatic land to free itself of extraterritoriality. This was because the Occidental powers at that time recognized Japan as an equal and fullfledged member of the family of nations which had reorganized its political institutions in conformity with Western patterns and that its legal system was up to Occidental standards of justice and humaneness. To act now on the assumption that the Japanese had retrogressed to the situation prevailing prior to 1899 in spite of the complete renovation of Japan's legal system during the Occupation and its reorganization by the Occupation to bring it more into accord with American standards and procedures, would not only be a grave insult to the Japanese but also to the untiring efforts of all those from General MacArthur on down who have worked to make it possible for Japan to be treated as a sovereign and equal member of the world community.

The Joint Chiefs of Staff go on to say in this connection that they

“feel that the position of Japan, as a conquered nation and as an oriental nation is not analogous to that of the North Atlantic Treaty Organization (NATO) nations with which agreements have been negotiated on jurisdiction questions.⁴ . . . An agreement with Japan along the lines of the NATO agreement is not only inappropriate, but it would be unacceptable from the military point of view. Under the conditions which will exist in Japan, it is necessary that the United States have in time of peace those jurisdictional rights which it requires in war.”

The bald statement that Japan is considered a defeated and oriental nation and that this justifies treatment inferior to that accorded NATO nations is one which is at complete variance with the underlying spirit of the Peace Treaty as presently drafted and as put before Congress and the people of the United States as well as the rest of the world in

⁴ A handwritten marginal note appears next to the first sentence of this quotation: “This sentence has been officially deleted by the JCS in a new version received 9/22/51. R[obert] J G M[cClurkin].” JCS records show that removal of this passage was completed in all copies by September 26.

the many public statements and speeches of Mr. Dulles, to say nothing of the proposed speech by the President which will be given at the opening of the San Francisco Conference. If such statements are allowed to pass unchallenged and if the military forces of the United States are permitted through the State Department's acquiescence to operate in a post-treaty Japan under the philosophy inherent in the above quoted excerpts, I am confident that it will be impossible for the United States to carry on successfully its diplomatic policy toward Japan to say nothing of the rest of the Far East. As one who has been designated to serve in a responsible position in Japan in the post-treaty period, I can only say that should this Joint Chiefs of Staff philosophy be accepted, directly or indirectly as the philosophy underlying United States Government policy toward Japan, I should have to consider seriously requesting a different assignment.

The same philosophy is evident in paragraph 4 of the Joint Chiefs of Staff memorandum where it recommends the revision of Chapter IV of the Administrative Agreement to eliminate the phrase "after consultation with the Japanese Government" with respect to the appointment of a Supreme Commander over United States and Japanese forces in the event of hostilities or imminent threat thereof. The memorandum states

"The Joint Chiefs of Staff are concerned lest the Japanese Government, by reason of a difference of opinion with the United States Government, delay or even attempt to veto any such appointment in the eventuality of a situation which the United States might consider as warranting the establishment of a unified command."

It is difficult to understand why the Joint Chiefs of Staff believe that the appointment of a Supreme Commander over Japanese as well as United States troops would be of any value if this were not concurred in by the Japanese Government and why the Joint Chiefs consider the Japanese armed forces would willingly submit to the authority of a Supreme Commander appointed over the protests of their own government. If the United States policy is such that in time of crisis the Japanese Government will not willingly and at once agree to action desired by the United States, certainly no words in an Administrative Agreement or otherwise will have any effect, and the philosophy underlying the Joint Chiefs of Staff memorandum is one which, if carried out in practice, would, in my opinion, make certain, if nothing else did, that the Japanese Government would not in time of crisis willingly cooperate with the United States.

If the United States-Japan Security Treaty is to have any reality, it can only be based after a Peace Treaty on willing and voluntary cooperation. After the Peace Treaty goes into effect Japan will be a sovereign nation and will expect to be treated as such. The position of

the State Department and its representatives in Japan will be an impossible one if, from the beginning, it is not made crystal clear to the Defense Department that in time of peace the State Department will be supreme in policy matters and that its present policy of treating Japan as a sovereign equal must be respected. The time to make this clear is at the beginning of the post-treaty relationship and we should not depend upon a compromise of wording which may take us over an initial hurdle but in the long run lead us gradually into a position which will be untenable.

It is therefore recommended that no attempt be made in the first instance to make a detailed comment on the revised Administrative Agreement forwarded with the Joint Chiefs memorandum, but rather that the matter be discussed on a high plane with the Defense Department in an effort to make clear the unacceptability of the general philosophy exhibited in the Joint Chiefs of Staff memorandum. If this is not done and if instead an attempt is made by means of drafting changes to bring the Administrative Agreement into line with the Department's thinking, I am afraid we will become involved in a long drawn-out discussion and in the end probably agree to words which mean one thing to the Joint Chiefs of Staff and another thing to the Department with the result that there will be constant disputes and bickering in the field when the agreement is put into effect.

Truman Library, Truman papers (PSF Subject File)

*The Indian Chargé (Kirpalani) to the Consultant to the Secretary of State*¹

SECRET

WASHINGTON, August 23, 1951.

DEAR MR. AMBASSADOR: I am desired to convey to you the following reply on behalf of the Government of India to your Government

¹The source text is attached to two covering notes. One is an undated memorandum from W. J. McWilliams, Director of the Executive Secretariat, to William J. Hopkins, Executive Clerk in the White House Office. It reads:

"On August 28, 1951 the President sent to Mr. Dean Rusk, Assistant Secretary of State, the following memorandum:

'I have been waiting for you to send me your copy of the message from Mr. Nehru, together with a copy of the proposed reply as it was first sent to me.

'If you will do that I will make the necessary interlineations and send it back to you.'

"Mr. Rusk was in San Francisco when the President's memorandum was received, and it was forwarded to him there since only Mr. Rusk was familiar with the matter. Mr. Rusk's instructions have been received and the papers referred to by the President, obtained from Mr. Rusk's and Mr. Dulles' files, are forwarded as requested."

The top covering note is a copy of a memorandum from the President to Mr. Rusk dated September 14, which reads:

invitation to participate in a Conference to conclude a Treaty of Peace with Japan to be convened on September 4, 1951, in San Francisco.

Begins: "The Government of India have the honour to acknowledge with thanks the receipt of the reply of the Government of the United States of America to the representations which they had made on the Japanese Peace Treaty in their communication dated July 30, 1951.² They fully appreciate the consideration given to their views by the United States Government and wish to assure them that the present reply is conceived in a spirit of frankness and sincere friendship for Government and people of the United States of America.³

2. Throughout the negotiations that have taken place between the two Governments on the subject of the Treaty the Government of India have laid emphasis upon two fundamental objectives:

(I) The terms of the Treaty should concede to Japan a position of honour, equality and contentment among the community of free nations;⁴

(II) They should be so framed as to enable all countries specially interested in the maintenance of a stable peace in the Far East to subscribe to the Treaty sooner or later.⁵

The Government of India have after most careful thought come to the conclusion that the Treaty does not in material respects satisfy either of these two criteria.⁶

"Attached is a marked up copy of the message from Mr. Nehru to the United States and also the marked up copy of our reply.

I have tried to put in exactly the same comments as were on the original and I think I have succeeded in doing that, even including the bad spelling."

The following is typed at the bottom of the page: "President added in longhand—'It is a pleasure to fix up this souvenir for you. I'm one of your admirers.'"

Apparently the text printed here, which bears numerous marginalia in the President's handwriting, is that on which Mr. Truman based his "souvenir" for Mr. Rusk.

Also attached is a draft, not printed, by Mr. Dulles of the U.S. reply, marked "4th draft" and dated August 24. This document bears extensive marginalia by the President embodying his suggested revisions. For text of the U.S. note dated August 25, see Department of State *Bulletin*, September 3, 1951, p. 387.

According to the *Bulletin*, the texts of both notes were released to the press on August 25. However, the Department's original press release (No. 765) containing the two notes is marked for release at 10:30 p. m. EST on the 26th, a time which had been agreed between the two governments. In a memorandum of his telephone conversation held on August 30 with Mr. Kirpalani regarding alleged U.S. Government advance leakage of the texts, Mr. William L. S. Witman of the Office of South Asian Affairs stated in part that he had told Mr. Kirpalani that the release date was plainly marked on the press release, and that the release was also stamped "Caution—Future Release" in large letters. He further reported telling Mr. Kirpalani that in consequence the only leak which could have occurred was through the wire services. (Lot 54 D 423)

² Three question marks in the President's handwriting appear at the end of this sentence. All marginal notes referred to in the following footnotes are also by the President.

³ A marginal note after the semicolon reads: "Oh yeh!"

⁴ For provenance of the Indian *aide-mémoire* and of the U.S. reply dated August 9, see footnote 5, p. 1263.

⁵ A note in the margins at the end of this sentence reads: "Only right statement—so far."

⁶ The following note appears in the margins at the end of this sentence: "Evidently the 'Govt' of India has consulted Uncle Joe and Mousie Dung of China!"

3. *Condition (I)*

(a) It is only natural to expect that Japan should desire the restoration in full of her sovereignty over territory of which the inhabitants have a historical affinity with her own people and which she has not acquired by aggression from any other country. The Ryukyu and the Bonin Islands fully satisfy this description. Nevertheless the Treaty proposes that until United States Government seek and obtain trusteeship over these Islands they should continue to be subject to the legislative and administrative control of the United States. It is apparent to the Government of India that such an arrangement cannot but be a source of dissatisfaction to large sections of the Japanese people and must carry the seed of future dispute and possible conflict in the Far East.⁷

(b) The Government of India recognise that as a sovereign nation Japan should have the right to make arrangements for her defence as provided in Article 5 of the Treaty. If in exercise of this right Japan should decide to enter into defensive agreements with a friendly power no one could reasonably object to this. But the right should be exercised by the Government of Japan when Japan has become truly sovereign.⁸ A provision in the Treaty which suggests that the present occupation force may stay on in Japan as part of such a defensive agreement is bound to give rise to the impression that the agreement does not represent a decision taken by Japan in the full enjoyment of her freedom as a sovereign nation.⁹ The effect of this not only on the people of Japan but upon large sections of people in Asia is bound to be most unfortunate.¹⁰

4. *Condition (II)*

As already stated the Government of India attach the greatest importance to the Treaty providing that the Island of Formosa should be returned to China. The time and manner of such return might be the subject of separate negotiations but to leave the future of the Island undetermined, in spite of past international agreements, in a document which attempts to regulate the relations of Japan with all Governments that were engaged in the last war against her does not appear to the Government of India to be either just or expedient. *Mutatis mutandis* the same argument applies to the Kurile Islands and to South Sakhaline.¹¹

5. For foregoing reasons, the Government of India have decided, with regret,¹² that they cannot be parties to the Treaty. It is their sincere¹³ hope that lasting peace will prevail in the Far East and, to that end, they will continue to cooperate with the United States Government and other Governments in such manner as may be open to them, consistently with the principles on which their foreign policy is based. As a first step, it is their intention, as soon as this may be prac-

⁷ A question mark appears in the margin at the end of this sentence.

⁸ Another question mark is written in the margin at the end of this sentence.

⁹ The President wrote after this sentence as follows: "Let Stalin come in and decide it—shall we?"

¹⁰ A question mark appears in the margin at the end of this sentence.

¹¹ The margins bear the following note after this sentence: "Is that a fair statement? I doubt it".

¹² A question mark is written above the words "with regret".

¹³ The handwritten words "I wonder!" appear above the word "sincere".

licable, to put an end to the state of war between them and Japan, and to establish full diplomatic relations with that country.

6. It has already been announced that the Conference convened at San Francisco to consider the draft Peace Treaty with Japan will not be open to negotiations, though attending Governments will be free to state their views on the Treaty. The Government of India feel that the statement of their views on the Treaty contained in this reply should be adequate to clarify their own position to the Conference.¹⁴ It is their intention, if the United States Government have no objection, to communicate this reply to their own Parliament which is now in session on August 27. Once the document has been published, it will be available for the information of the Conference, and the Government of India will be glad if the Government of the United States, which will act as host to the Conference, will have this reply circulated to its members. As, for reasons already stated, the Government of India will be unable to sign the Treaty, they think that it is not necessary for them to send representatives to it." *Ends.*

The Government of India would be glad to know if the United States Government have any objection to their informing our Parliament of this reply on Monday, August 27, 1951.

With assurances of my highest esteem, M. K. KIRPALANI

¹⁴ The following note is interpolated after this sentence: "It is! Stalin speaks."

694.001/S-2451

Memorandum by the Deputy Director of the Office of Regional American Affairs (Burrows)

CONFIDENTIAL

[WASHINGTON,] August 24, 1951.

MEMORANDUM OF MEETING ON JAPANESE PEACE CONFERENCE

Participants:

Ambassadors (in most cases) or other diplomatic representatives of Latin American nations in Washington except Costa Rica and Guatemala which were not represented.

S—Mr. Dulles

OSA—Ambassador Warren ¹

ARA—Mr. Mann

AR—Mr. Burrows

AR—Mr. Monsma

FE—Mr. Barbour

¹ Fletcher Warren, Director of the Office of South American Affairs; Thomas C. Mann, Deputy Assistant Secretary of State for Inter-American Affairs; Charles R. Burrows, Deputy Director of the Office of Regional American Affairs; George N. Monsma, Officer in Charge of International Organization Affairs in the Office of Regional American Affairs; Robert E. Barbour of the Bureau of Far Eastern Affairs.

Following a few introductory remarks by Mr. Mann during which he thanked the Ambassadors for attending this meeting which had been suggested by the Department for the purpose of discussing the procedure to be followed at the Japanese Peace Conference in San Francisco the meeting was turned over to Mr. Dulles.

Mr. Dulles addressed the group first in terms of the background of the treaty, the philosophy behind it, the hopes for its achievements, and the preparation which has gone into it. He described the treaty as one not of revenge but of Christian expression. He spoke of the necessity of winning a peace as well as a war, of past failures of the world to recognize this fact and of his belief that the peace now being arranged with Japan will be the kind of peace which will permit Japan to play her part as an independent nation in a free world. He admitted that it was not a *perfect* peace—that would be impossible—but said that it is a good peace and probably the best peace ever imposed on the vanquished by the victor. He said that the peace contains compromises but not compromises with principle.

Mr. Dulles then described how in the planning and preparation of this treaty there has been constant discussion and negotiation over at least the past year, how he himself has travelled east and west to discuss details and to work out agreement with the governments of those countries most directly concerned in the war against Japan. In all of this we have endeavored to keep in mind the interests of all the belligerents, particularly the Latin American nations who although perhaps not as directly interested as some of the other powers (except possibly for Mexico which as everyone knows had a fighting contingent in the Japanese theater) were actively involved in the war as co-belligerents and played their part in the final victory. He said he felt positive that the kind of peace which has evolved from these protracted negotiations is the kind of peace which will appeal to the Latin American nations and to their sense of democratic fairplay. Certainly the Latin American representatives have been kept in mind throughout; we have known from the beginning that we would need their support and the treaty has been drafted with that consideration in mind. Mr. Dulles, in this part of his presentation, made specific reference to the opportunity that the Latin American nations have had in the last couple of months to suggest revisions in the treaty and the changes that were made in Article 14, for example, to more closely meet their particular problem in dealing with potential Japanese claims.²

With such detailed and careful negotiation having actually preceded the Peace Conference as it has, Mr. Dulles continued, and with

² Extensive documentation on problems encountered by certain American Republics in connection with the Japanese Peace Treaty is contained in file 694.001 for 1951.

everyone's views having been given careful consideration, much of what might normally be expected to be done at the Peace Conference has already been accomplished. The negotiating has been carefully carried out and over an adequate period [of] time. *Now*, we are satisfied, it is time to end the negotiations and to *sign* the treaty. It is never healthy for a country to be occupied by foreign troops, no matter how enlightened the occupation. We think it is high time to end the occupation and let Japan once again assume her part as one of the free nations of the world. That can only be accomplished by signing the peace treaty and that is what we are planning to do.

Now that we have been advised that Russia plans to attend the Peace Conference, we can expect that there will be efforts to delay the signing by all kinds of dilatory tactics, Mr. Dulles said. We must be prepared for this and must plan the procedure to be followed with all possible care so that the Soviet will not be successful in those efforts. Nothing as yet has been worked out officially or in detail with anyone else, but Mr. Dulles said that we have given the matter a great deal of thought and that our views are somewhat as he then proceeded to outline. He said first that since there have already been twelve months of discussion we believe that further lengthy debate must be avoided at the Conference and that very complete rules of procedure must be adopted and adhered to throughout in order to avoid complete confusion. He said that our thoughts have been to permit an absolute maximum of something like an hour for each delegation which wishes to express its views of the treaty, that no changes in the treaty will be accepted, and that signature of the treaty will follow with or without those countries which may refuse to sign. We would hope that these expressions of view would be in general statements of approbation of the treaty with perhaps in some cases statements of position on some particular point. We would like to think of the Conference as an extended signing ceremony and not a forum. Perhaps two days would be sufficient for these statements, at the end of which time the Conference itself could decide whether the signing should take place immediately or whether some additional time should be permitted for future discussion. A day or so at the beginning of the Conference will perhaps be necessary for discussion and adoption of the rules of procedure, and if the Soviets can be kept from successfully pursuing dilatory tactics it should be possible to finish up completely in four or five days, Mr. Dulles said. It is very important that every effort be exerted to accomplish this, and it was for the purpose of discussing this necessity and the best method to pursue it that he (Mr. Dulles) had wanted to meet with our Latin American allies and give them a chance to think about tactics in advance of the Conference.

Mr. Dulles then gave the Ambassadors an opportunity to ask questions or to introduce subjects for discussion. The Ambassador of El Salvador ³ spoke first and said that he believed there were three important points to consider in advance of the Conference. These points were, in his mind: (1) how to dispose of the question as to invitations to participate in the proceedings, (2) how to handle suggested amendments and (3) the question of translations. The Ambassador also expressed his opinion to the effect that it would be very difficult to conclude the Conference by September 8 and that it may be necessary to consider the possibility of the Conference extending beyond that date with all the complications of hotel reservations, etc. that would ensue. Mr. Dulles' answer to these considerations were: (1) we hope that since the United States is the host country the Conference will decide that the list of invitations prepared by the United States is the definitive list and that no other countries can be added (Mr. Dulles made clear that he was thinking of Russia of course and a suggestion that the Peiping government of China be invited); (2) our position is that *no* amendments of substance may be made; (3) Mr. Dulles said that he feels sure that there will be no trouble on the translations and that that question can be worked out very well with an efficient Secretariat which we expect to have. With reference to this last matter Mr. Dulles mentioned the part he had played in insisting that Spanish be added as one of the official languages if French was going to be so considered. In connection with the question of translations the Chilean Ambassador ⁴ spoke up and recounted his experience when the Charter of the United Nations was drafted at San Francisco and when he himself had to work together with Mr. Alfaro ⁵ of Panamá practically the last forty-eight hours uninterruptedly in order to get the Spanish version in acceptable form. The Ambassador of El Salvador, referring again to amendments, suggested that even if no amendments of substance were accepted there might still be a very difficult problem in connection with the presentation of numerous amendments of form. He suggested that to combat this it might be possible to arrange in the rules of procedure that the only amendments of any kind which would be accepted would be those advanced by countries which intended to sign the treaty.

The Ambassador of Colombia ⁶ then asked Mr. Dulles' opinion as to why Russia had accepted the invitation to attend the Conference. Mr. Dulles said that as usual in questions involving Soviet behavior one could only guess and that such guesses could be interesting but were not

³ Héctor David Castro.

⁴ Félix Nieto del Río.

⁵ Ricardo J. Alfaro, in 1945 Panamanian Foreign Minister.

⁶ Cipriano Restrepo-Jaramillo.

often productive. He said that the Soviets might want to take advantage of another public platform to talk about issues between the Soviet and democratic world, they might want to endeavor to bring in discussion of the Korean armistice or any number of other issues of that nature. The Colombian Ambassador then asked as to whether reservations to the Treaty would be accepted. Mr. Dulles said that we doubted the effectiveness of reservations to a treaty of this kind and said that although a statement of some kind might be effective we think that reservations might make the signature of the treaty meaningless. With regard to *interpretations*, Mr. Dulles said that the addition of such statements would be acceptable and could be of considerable importance.

The Ambassador of Uruguay⁷ on behalf of all those present presented his compliments to Mr. Dulles and spoke very highly of the work that he has done in preparation for this very important treaty. He called for and spoke of the importance of moral support in peace as in war.

Mr. Dulles concluded the meeting by speaking of the important contribution that all of the Latin American nations had made to the winning of the war against Japan and said that in many cases support other than military support was of extreme importance in the winning of a war. In this connection he said that Latin America's contribution in terms of material, economic and moral support, in addition to that military support furnished by Mexico, had been of great satisfaction and importance to the allies in the war against Japan.⁸

⁷ José A. Mora.

⁸ In a memorandum of September 24 to the Secretary summarizing information regarding the Peace Conference which was to be presented by Mr. Acheson to the Senate Foreign Relations Committee, Mr. Allison stated in part:

"Perhaps the single most decisive factor was careful preparation which had gone into the formulation of the Rules of Procedure and the effort which was made at San Francisco to explain these Rules to the friendly nations present. Prior to reaching San Francisco the Rules had been discussed in detail with the United Kingdom Government which offered valuable suggestions and became their joint sponsor and had been made available to the Governments of Australia, Belgium, Canada, France, the Philippines, Netherlands and New Zealand. In every case the purpose of the Rules was carefully explained and in many cases valuable suggestions were received from the countries concerned. On the day before the formal opening of the Conference in San Francisco, meetings were held with the friendly members of the Far Eastern Commission countries plus Ceylon and Indonesia and later with representatives of the Latin American states at which time careful explanations were made concerning the purpose and operation of the Rules. It is believed that these meetings, in addition to the fact that every nation was aware that it had already had an opportunity to express its views on the Peace Treaty draft, played a large part in influencing the great majority of the states present to vote in favor of the U.S.-U.K. proposals. The ineptness of the Soviet bloc representation, particularly that from Poland, also played a part in making crystal clear to all those present that the only purpose of the Soviet group was destructive and that they had nothing really constructive to offer." (694.001/9-2451)

694.001/8-2451 : Telegram

*The Secretary of State to the Embassy in the Republic of Korea*CONFIDENTIAL
PRIORITY

WASHINGTON, August 24, 1951—2 p. m.

165. Request in ur discretion you discuss fol with Pres Rhee. Amb Yu Chan Yang has presented to Amb Dulles ROK views on its attendance at SF Conf for signing Peace Treaty with Japan. Circumstances with which ROK is familiar do not permit US Gov to issue invitation to ROK to be signatory to treaty. However, in view attendance at SF of Sov Del and possibility that Sov Del may attempt exploit forum of Conf to spread propaganda and for other purposes derogatory to conclusion of treaty and inimical to interests of ROK and US, it might be wise for ROK to have rep present in SF even though not in any formal capacity. Great advantage might, in the development of the Conf, accrue to ROK and to dels of other friendly Govts. If ROK decides have rep present in SF, we wld be glad to assist in arranging facilities and other courtesies.¹

ACHESON

¹ In telegram 189 from Pusan, August 25, Ambassador John J. Muccio stated in part: "FonMin [Pyun Yung Tai] stated tel dispatched Amb Yang yesterday informing him he designated represent ROK Govt San Francisco and that Col Ben Limb was to be his alternate. Both Mins relieved to learn Dept now favors ROK informal representation San Francisco." (694.001/8-2551)

694.001/8-2451 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL PRIORITY

DJAKARTA, August 24, 1951—5 p. m.

310. Trusted Cabinet friend told me early this morning outlook uncertain as to what Indo decision wld be on participation San Francisco.¹ I suggested and he agreed I endeavor see Vice Pres Hatta who had been present when Cabinet last discussed this question and will attend session tonight which is to take decision.

Recd by Hatta noon today. I expressed concern over possibility Indo might fail participate San Francisco. I argued in favor partici-

¹ In telegram 296, from Djakarta, August 22, Mr. Cochran reported in part on a conversation held the previous evening with Foreign Minister Subardjo as follows: "In answer my question whether any serious obstacles [regarding Indonesian attendance at San Francisco] he replied negatively but said Cabinet members desired implore their party leaders further before final decision. He said some uneasiness over fisheries and trade issues. I stressed impossibility one over-all treaty mtg requirements all participating states and urged resort to bilateral treaty between Indo and Jap." (694.001/8-2251) Other documents in file 694.001 for August 1951, make clear that Ambassador Cochran was referring to a bilateral treaty as a supplement to, not a replacement for, Indonesian adhesion to the multilateral Japanese Peace Treaty.

pating and signing and against Indo taking isolated position that wld gain Indo nothing and be misunderstood internationally. I said delegation could place on record any views govt might instruct. Furthermore over-all San Francisco agreement cld be followed by bilateral trade agreement between Indo and Japan.

Hatta said Cabinet had made up mind several days ago for FonMin Subardjo head delegation and go San Francisco. Increasing opposition had developed in press and polit circles principally he said because of fear Jap resuming powerful and aggressive role in Far East. I said steps had been taken and further steps could be envisaged to remove any threat of aggression on part Japan against Indo. I said better let Japan be free and sovereign state than risk alternative of deterioration into Commie country. Hatta is today exerting his influence on PriMin Sukiman [Wirjosandjojo] and other Masjumi² leaders to endeavor get entire party support San Francisco. PNI³ decided at last night's party meeting to support participation, but minority within Masjumi still resisting. Hatta promised continue his efforts and hoped for success at tonight's meeting.

COCHRAN

² Indonesian Moslem Council.

³ Partai Nasional Indonesia (Indonesian National Party).

694.001/8-2551 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

CONFIDENTIAL NIACT

DJAKARTA, August 25, 1951—4 p. m.

316. Indo FonMin Subardjo phoned me 1 p. m. 25th. Said Indo Govt accepted US invitation attend San Francisco conf. He will head delegation of from 10 to 15 members. This will include Amb Ali¹ from Wash, Sudjono² from Tokyo and two parliamentarians. Exact composition being determined and I am to be informed soonest in order Dept may be advised re reservations.

[Here follows a discussion of travel arrangements.]

Subardjo said extremely anxious discuss with SecState question "economic losses" to Indo connected with treaty, prior opening conf. He wld be prepared leave Djakarta early coming week traveling via Europe with Secretary if any likelihood see Secretary before latter departs for San Francisco. Alternative wish wld be to see Secretary San Francisco day or two before Conf opens. I mentioned difficulty making appointments for Secretary immediately prior conf with so many delegations arriving, but offered report his desires. I also said I would in-

¹ Ali Sastroamidjojo.

² Sudjono, Chief of the Indonesian Liaison Mission.

form Dept in advance of any topics which Indo del might desire discuss with Dept while in US. Subardjo said wld think this over and give me topics prior his departure.³ Would appreciate immed reply re Dept's advice on possibility brief talk with SecState prior conference.⁴

I urged Subardjo let us know at once whether Indo del desires Republic's representative accredited. I asked if Indo Govt now in position approve Jap membership FAO. He answered latter question officially and affirmatively.

Subardjo confirmed to me that Cabinet would not give authority in advance to sign treaty but insists Subardjo keep in daily touch with Djakarta by phone with view reporting developments and receiving instructions. I believe attitude Indo del toward treaty will depend importantly upon manner in which they received and treated by US representatives. Consequently recommend I be instructed express gratification of Dept that Subardjo is personally going to visit Wash well as San Francisco. Subardjo is definitely favorably inclined toward US and has been importantly responsible for Indo decision to participate San Francisco. Am sure therefore Dept will give every appropriate consideration to Subardjo's urgent request above mentioned.

COCHRAN

³ In telegram 320, to Djakarta, August 27, Ambassador Cochran reported on his conversation held that day with Minister Subardjo and stated in part: "Indo particularly interested in fisheries situation and prospective monetary setup in sovereign Jap. I promised US representatives and permanent Dept officials wld render appropriate advice on steps toward negotiating desired bilateral after Indo signs San Francisco." (694.001/8-2751)

⁴ For a memorandum of Mr. Subardjo's conversation with Mr. Acheson held in San Francisco, September 3, see p. 1318.

694.001/8-2651

Memorandum of Telephone Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

CONFIDENTIAL

[WASHINGTON,] August 25, 1951.

Subject: Vietnamese Statements on the Japanese Peace Treaty

Participants: Mr. Pierre Millet—Counselor, French Embassy
Dean Rusk—Assistant Secretary of State

I telephoned Mr. Millet and told him that we were very much disturbed about the statements¹ being made in Vietnam about the

¹ In telegram 463, from Saigon, August 24, Chargé Edmund A. Gullion had cabled excerpts from an interview by President Tran Van Huu of Vietnam (Associated State of the French Union). The President had stated in part: "I am deciding to go personally to San Francisco because there is an essential action, the first international conference in which Vietnam is participating . . . I want to make known Vietnam's right to reparations. . . . In 1945 the damages caused by the Japanese occupation were estimated at 16 billion of the piasters

Japanese Peace Treaty. I said that it would come as a rude shock to the United States if, after having made a major political compromise in order to invite the Associated States, we should discover that they were a source of trouble rather than support. I said that we hoped the French Government would do everything within its power to explain the situation to the Associated States in order that the latter would prove to be loyal friends at San Francisco.

Mr. Millet said that he and Ambassador Bonnet had also been very much concerned about it, that the Ambassador had already sent a strong message on the subject to Paris, and that he would send an additional message on the basis of my talk.²

of that period. This figure should be multiplied by 30 or 40 according to the increase of cost of living. . . . In the face of Chinese Communism and in the face of Japanese rearmament, Vietnam will ask at San Francisco a defensive military pact with France, the United States, and England for the protection of Vietnam against aggression." (694.001/8-2451)

² In telegram 1251, from Paris, August 27, Ambassador David Bruce reported on the French reaction to Ambassador Henri Bonnet's message on this conversation. Ambassador Bruce said in part: "Baeyens told us that [Minister for the Associated States] Letourneau 'guaranteed' that Huu and other Assoc States reps San Francisco conf 'wld not get out of line'. According Baeyens, Amb Bonnet's telegram was strongly critical Huu's public statements, feeling shared by Letourneau and FonOff. They explained Huu probably talking for domestic consumption in Vietnam." (694.001/8-2751)

694.001/8-2851 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP
(Sebald)*

SECRET PRIORITY

WASHINGTON, August 28, 1951—5 p. m.

Topad 342. FYI and communication to FonOff at your discretion, Dept planning fol re handling Jap Del:

1. Jap Del to be seated with other dels on floor from opening conference.

2. Allied Dels to be arranged alphabetically by country, followed by Jap Del.

3. Jap press reps to be seated in press galleries.

4. Jap Del to be invited to all official receptions.

5. In accordance recent gen practice not contemplated that formal calls be exchanged between heads of dels. For purposes protocol US Del reception immed fol welcoming ceremony evening Sept 4, to which Jap Del will be invited, considered sufficient to provide for usual exchange of courtesies.

6. Not anticipated that Jap Del will formally participate conference until final stage when PriMin will be accorded opportunity to speak.

While Japs will not formally participate until close of conference, their informal conversations with other Dels and statements appearing

in press attributed to them may have strong influence on success in obtaining maximum nr signatories. Apart from question of degree effectiveness of Sov divisive efforts, Jap Del shld fully understand that acceptance of invitation to conference in case of several non-Commie countries by no means assures they will sign treaty. This particularly true Indo to whose sig US attaches greatest importance. To cope with these problems and anticipated Sov tactics will require highest degree dipl skill of entire Jap Del on whose coop and assistance US Del will be heavily dependent, particularly in connection with other Asian Dels. For example, in any informal discussions with such dels as Indo and Phil re Art 14 it will be utmost importance that Jap attitude be responsive.

To facilitate handling these problems, consider it particularly desirable that Jap Del establish press relations section which will handle all public statements by all members Jap Del. US Del press section will be pleased assist and, if desired, advise Jap press section.

ACHESON

694.001/8-2951

*Memorandum by the Secretary of State*¹

TOP SECRET

[WASHINGTON,] August 29, 1951.

MEMORANDUM FOR THE PRESIDENT

The Department of State believes that it is of great importance that the President and the National Security Council be fully aware that the period of the coming San Francisco Conference will be one of sharply increased international tension.

The future alignment of Japan as between the free world and communism is an issue second in importance perhaps only to Germany. By a vigorous political initiative with respect to the Japanese Peace Treaty and by a determined stand against aggression in Korea, we face the prospect that we shall shortly have a Peace Treaty with Japan signed by more than 40 nations which is warmly supported by the Japanese and which lays the basis for a close association between the United States and Japan in the post-treaty period. If successful, the result will be a tremendous step toward changing by peaceful means the present power situation in the world in favor of the United States and its Allies. That very fact insures that the Soviet Union will make strenuous efforts to prevent a satisfactory Peace Treaty or close post-treaty relationships between Japan and the free world.

¹ Memorandum drafted by Mr. Rusk.

The Soviet Delegation will not be able to prevent, by ordinary parliamentary means, the signing of the Peace Treaty by an overwhelming majority of Delegations at San Francisco. We must expect, however, that the Soviet Delegation will be fully aware of that and will resort to "shock" tactics of one sort or another in an effort to (a) reduce the number of signatures, (b) discredit the Treaty among Asian countries, (c) delay the signing of the Treaty, (d) produce pressures to amend the present draft Treaty in important respects, and (e) stimulate Japanese resistance to the present draft Treaty.

At some stage during the forthcoming Conference, the Soviet Delegation may produce a draft Treaty of its own aimed specifically at Asiatic and Japanese opinion. It might offer to sign our own draft if amendments were made on such points as the Ryukyus, the Kuriles and the posttreaty security relationship with the United States, amendments which would attract considerable Asian and Japanese support. It might seek to establish a direct connection between the fighting in Korea and the Japanese Peace Treaty in order to use one as a bargaining element with respect to the other. A major communist offensive in Korea might be timed to precede or coincide with the San Francisco Conference, in the hope that initial communist gains might produce wavering among other Delegations. The threat of such an offensive is implicit in the present situation in Korea. The Soviet Delegation might even produce something akin to an ultimatum when it becomes apparent that the Conference is firmly determined to proceed with the business for which it was convened.

The basic decisions governing United States policy and action in this situation have already been made. Simply stated, they are: (a) that we should proceed with the conclusion and signing of a Japanese Peace Treaty conforming to the characteristics set forth in your basic directives to Mr. Dulles of September 8, 1950² and January 10, 1951;³ (b) that we should not reopen the present draft Treaty to renegotiation at San Francisco; (c) that we should not allow ourselves to be diverted from the build-up of the strength of the free world by Soviet threats or intimidation; and (d) that we should not allow the aggressors to connect other issues with the Korean question in such a way as to reward aggression or to permit the aggressor to use his unlawful acts for bargaining on other questions.

The attitude of the United States during the forthcoming tension should be one of calm and firm determination to move ahead on a Peace Treaty which is fair in itself and has the overwhelming sup-

²This directive was in the form of a joint memorandum, dated September 7, from the Secretaries of State and Defense to President Truman. It was approved by the latter on September 8, and circulated that day as NSC 60/1. It is printed in *Foreign Relations*, 1950, vol. VI, p. 1293.

³For text, see enclosure 2 (as annotated) to Mr. Acheson's letter of January 9, to Secretary Marshall, p. 788.

port of the free nations. Any lack of resolution on our part under the expected Soviet pressure could shatter the free world majority and permanently lose Japan as an integral part of free world security. While we move ahead in the political field, the Defense agencies should be alerted to the increased risks inherent in this particular phase and to any precautionary steps which might seem warranted under the circumstances.

It may be necessary for the U.S. Delegation at San Francisco to respond instantly to certain moves of the Soviet Delegation. If so, the Delegation would act on the basis of existing instructions and along the broad lines of this memorandum. The President and the Secretary of Defense will be kept fully informed on developments at the Conference.⁴

DEAN ACHESON

⁴ A memorandum of August 30 by Mr. Battle follows:

"The Secretary took over to the NSC meeting yesterday a memorandum prepared by Mr. Rusk on possible developments at San Francisco and the policy line which we felt should be taken to cope with any moves the Soviets might make. The Secretary spoke to the President about the memorandum which was addressed to him and asked whether the President approved of the Secretary's bringing it up in the Security Council meeting itself. The President said that he thought the Secretary should discuss the memorandum.

The Secretary told me that he read most of the memorandum aloud. The Vice President then made a speech, in which he said that he felt strongly that the attitudes discussed in the memorandum should be the ones we follow. The President then asked whether anyone had any criticism or suggestions. When no one did, he asked that the minutes of the NSC show that the Council had unanimously approved the memorandum and that he also approved." (Lot 64 D 563: Files of the Policy Planning Staff)

Approval of the memorandum constituted NSC Action No. 539. (Lot 62 D 1: Executive Secretariat Files)

694.001/8-2951

Memorandum by Mr. William L. S. Williams of the Office of South Asian Affairs

CONFIDENTIAL

[WASHINGTON,] August 29, 1951.

BACKGROUND OF INDIA'S DECISION NOT TO SIGN THE JAPANESE PEACE TREATY

(For Use of US Delegation)¹

India has been a member of the Far Eastern Commission since it was established, has maintained in Japan representatives accredited to the Japanese occupation authority, and has never questioned the terms of the Potsdam Surrender Terms.

The United Kingdom received a copy of the draft treaty in mid-March 1951. On March 28, the Indian Ambassador in Washington was

¹ To the San Francisco Conference.

handed a copy.² A few days later, the Secretary General of the Indian Ministry of External Affairs complained that India had received a copy of the draft from the UK, and stated that India preferred to deal directly with the United States in this matter.

Fully two months later, on May 28, the Indian Minister presented his Government's views³ on the draft to the Department and Mr. Allison discussed with him the points raised by the Indian Government. In mid-June a revised draft which accommodated certain Indian wishes, was given the Indian Government.⁴ On June 20, Mr. Allison discussed this draft with representatives of the Indian Government in New Delhi.⁵

On July 13 our Embassy in New Delhi discussed with the Indian Ministry of External Affairs the question of the participation of the Associated States of Indochina in the San Francisco Conference. The Indian official with whom this question was discussed, was reported by the Embassy to have observed that "even if the draft were acceptable to the Government of India (and the United States was not to infer from this that the draft was not acceptable), the Government of India would find it difficult to sign a multilateral treaty of which the Associated States were also signatories".⁶

On July 20 Ambassador Henderson discussed the draft with Prime Minister Nehru who expressed his concern with provisions of the draft treaty which he thought might cause Communist China or the USSR to fear that the United States might be planning to use Japan or its adjacent islands as a base of operations against the Asian mainland.⁷

² Identical to that printed under date of March 23, p. 946.

³ *Aide-mémoire* not printed. (Lot 54 D 423)

⁴ Reference is to the revised draft of June 14, p. 1119.

⁵ In telegram 3712, from New Delhi, June 20, marked "For Dulles from Allison," the latter had reported on a conversation with Mr. Chakravarty. Mr. Allison had stated in part that the question of whether or not India would sign the treaty "was said depend on exact wording provisions re Chi participation and Formosa. However, when gen scope provisions was explained to Chakravarty he seemed find them acceptable altho he made clear that he did in no way indicate what final attitude of GOI wld be until revised texts had been studied and discussed with PriMin." (694.001/6-2051)

⁶ The quotation is of a remark made by Subimal Dutt, a Secretary of the Ministry of External Affairs, to Ambassador Henderson on July 13, which had been reported to Washington by the latter on that day in telegram 187, not printed. (694.001/7-1351)

⁷ Ambassador Henderson had reported on his conversation with Prime Minister Nehru in telegrams 292 and 293 from New Delhi, both of July 21, both not printed. (694.001/7-2151)

However, in telegram 577, from New Delhi, August 11, Ambassador Henderson had reported in part that he had been visited that morning by Sir Archibald Nye, who had just come from a conversation with Mr. Bajpai. "From Bajpai's remarks he is veering to opinion which we have had for some time that Nehru's objections to treaty are based not so much on concern for reaction of Commie Chi and USSR as upon his own desire not sign any document which might indicate India looks with approval upon retention Amer troops Japan or in islands contiguous thereto." (694.001/8-1151)

Later on the same day our Ambassador presented to the Ministry of External Affairs the invitation to participate in the San Francisco Conference together with the July 20 draft of the treaty.

On July 30 the Embassy of India in Washington presented India's views on the July 20 draft by an *aide-mémoire*.⁸ On July 31 the Secretary General of the Indian Ministry of External Affairs told our representative that the Government of India was still undecided about signing and that the decision would have to be made by the cabinet. He said further that the Indian request for the reconsideration of certain provisions was motivated by the view that if India's attitude toward these provisions were not stated when the opportunity was offered, failure to do so might be taken to mean that the Government of India had changed its mind about the provisions in question, which was not the case.

Our reply to the Indian *aide-mémoire*, prepared after consultations with the British Government, was conveyed to the Government of India on August 12 in New Delhi.⁹ The Indian Minister in Washington,¹⁰ on reading our *aide-mémoire*, commented that it was "very conciliatory".

In our *aide-mémoire* we agreed with the Indian Government that the treaty "should not be such as to give just cause for offense to other interested powers, or make it impossible for them to sign the Treaty, or a bilateral treaty of substantially the same terms, at a later date." We expressed our belief that the July 20 draft met this test, and that the revised text of the draft took into account the basic viewpoint and suggestions of the Government of India in relation to the March 28 draft.

Specifically, we pointed out that we had yielded to India's views regarding the Ryukyu and Bonin Islands to the extent of changing the March 28 draft so as to permit Japan to retain sovereignty over the Islands. We expressed our belief that failure of the treaty to cede the Kurile Islands and South Sakhalin to the Soviet Union should not make it impossible for the Soviet Union to sign the treaty. We told the Indian Government that if, as it had suggested, the date of Formosa's return to China were left open, it was equally appropriate that the whole matter be left unresolved by the treaty. We also informed the Indian Government that the provision of the revised draft providing for the formal ending of the occupation of Japan (Article 6a) was introduced to meet the views of the Government of India.

⁸ *Aide-mémoire* not printed. (Lot 54 D 423)

⁹ See telegram 582, from New Delhi, August 12, p. 1262.

¹⁰ M. S. Kirpalani.

On August 13 Ambassador Henderson pointed out to the Indian Foreign Secretary¹¹ that signature of the treaty did not imply approval of security arrangements between the United States and Japan, and that India could properly put into the record any views it had on this subject. Regarding the Ryukyus, the Ambassador pointed out that India could also state that it reserved the position it would take in the United Nations General Assembly with respect to the trusteeship terms and the question of military bases.

On August 14, Ambassador Dulles discussed the latest draft with Madame Pandit, the Indian Ambassador, immediately prior to her departure for New Delhi on consultation, stressing the necessity for compromise between the various interested parties.

On August 23 the Government of India informed us that it had decided not to sign the treaty and not to attend the San Francisco Conference. On August 25 we presented our reply. This exchange has been widely publicized.

On August 25 the Secretary General¹² pointed out to our Ambassador that the Government of India had not retreated from the views it had expressed when it first saw the draft treaty. This is correct. The Government of India had not yielded to the United States on a single point, while we have modified the draft in significant measure to meet Indian views.

The basic views of the Government of India are therefore to be found in its August 23 note on the subject. Briefly, India laid emphasis on two fundamental objectives: (1) The terms of the treaty should concede to Japan a position of honor, equality and contentment among the community of free nations;¹³ (2) The terms should be so framed as to enable all countries especially interested in the maintenance of a stable peace in the Far East to subscribe to the treaty sooner or later.

With regard to the first condition, India believes that the provisions dealing with the Ryukyu and Bonin Islands will be a source of dis-

¹¹ Reference uncertain, but possibly to K. P. S. Menon, Secretary in the Ministry of External Affairs and Commonwealth Relations.

¹² Mr. Bajpai.

¹³ In telegram 733, from New Delhi, August 25, Ambassador Henderson had reported in part: "At Bajpai's request I saw him briefly this morning. He read aloud excerpts from tel recd last evening from Ind Chargé Wash [Minister Kirpalani]. Excerpts were to effect that when Amb Dulles read GOI reply Jap treaty he was 'furious' and said India had not dealt 'fairly' with US in this matter." (694.001/8-2551) In telegram 456, to New Delhi, August 27, marked "For Henderson from Dulles," the latter had replied in part as follows: "Report of Indian Chargé somewhat misleading. On reading note I said not surprised at Ind decision as we had anticipated Ind might not want participate at San Francisco or sign multilateral Treaty. I never suggested that India's decision in this respect was 'unfair'. I did express surprise at grounds given. My only ref to 'unfairness' was I thought it rather unfair for India to base its decision on failure of US to provide Treaty which wld 'concede to Japan position of honor, equality and contentment among community of free nations'." (694.001/8-2551)

satisfaction to "large sections of the Japanese people" and "must carry the seed of future dispute and possible conflict in the Far East". India also believes that the security arrangements between Japan and the United States are bound to give rise to the impression that Japan is not enjoying the full freedom of a sovereign state.

With regard to the second condition, India believes the treaty as drafted can not be adhered to or subscribed to by all interested powers (by which India means Communist China and the USSR) because, (1) Formosa is not ceded to China, and (2) because the Kurile Islands and South Sakhalin are not expressly ceded to the Soviet Union.

On August 28 the Government of India transmitted through our Embassy in New Delhi a reply ¹⁴ to our note of August 25. Somewhat more conciliatory than its previous note, the Government of India welcomed United States assurances that its over-riding desire was peace in Asia and that it did not want to be a party to colonialism or imperialism. India disagreed that our view of the proposed treaty was shared by the Government and people of Japan. It explained that its views on the Kurile Islands flowed from the agreement reached at Yalta that the Islands should be handed over to the Soviet Union. As for the Ryukyus and the Bonin Islands, India considered that their return to Japanese sovereignty would not run counter to the Potsdam Surrender Terms. India maintained that Japan should make any defensive arrangements it wished as soon as the treaty had been concluded. With regard to Formosa, India noted that it has held and continues to hold the view that a declaration that Formosa shall be returned to China will help in creating conditions for a settlement in the Far East. The Government of India further noted that it has been anxious that a peace treaty with Japan be signed and the military occupation terminated, and referred to its intention to terminate its state of war and to establish normal diplomatic relations with Japan. Its action in making a separate treaty should not, in its view adversely affect either the friendly relations that exist between India and the United States or the cooperation of the two governments in everything "which is practical and fruitful for peace". The Indian Government hoped that the observations contained in the note would reveal a "unity of outlook" between India and the United States, and expressed the opinion that the differences that exist are differences of "method and approach" which "should not be allowed to cause resentment that might come in the way of mutual understanding and community of effort".

¹⁴ Not printed. Text is in the two-section telegram 758, from New Delhi, August 28. (694.001/8-2851)

We may be confident that the basic consideration that has led Mr. Nehru to decide not to sign the Treaty is his wish not to displease Communist China or the USSR. India does not wish, however, to appear to decisively align itself with these countries. As late as August 28, Mr. Nehru emphasized that India acted "quite independently" of the Soviet Union. Mr. Nehru seems to consider that his relations with the western democracies and particularly the UK are such that he can with impunity disappoint us, and be forgiven, but that his relations with Communist China and the Soviet Union are such that he cannot risk incurring their displeasure. The course which India has chosen will work to assure it the benefits of a peace with Japan (including security arrangements to deter aggression against an otherwise unarmed Japan) without requiring India to assume a share in the responsibility for the treaty by signing it.

611.94/8-2251

*Memorandum by the Director of the Office of Northeast Asian Affairs
(Johnson)*

SECRET

WASHINGTON, August 29, 1951.

PRINCIPLES TO BE APPLIED IN STATIONING U.S. FORCES IN JAPAN

I ASSUMPTIONS

A. One of the principal security objectives of U.S. policy toward Japan is to obtain maximum contribution from Japan to free world opposition to Communist imperialism.

B. This contribution can be maintained over a period of time only by the free identification of the Japanese people themselves with the cause of the free world.

C. While the present Japanese Government and probably a majority of the people are now favorably disposed toward close cooperation with the U.S. and the remainder of the free world, there will be sufficient factors working in the other direction so that the continuation of such cooperation is not a certainty. Among these factors will be:

1. The racial and cultural affinities of Japan for the presently Communist-dominated areas of Asia in close proximity to Japan.
2. The economic attractions of Japan's normal sources of raw materials and markets in nearby Communist-dominated areas of Asia.
3. The probable Communist "bait" of holding out to Japan the possibility of having a major role in a Communist-dominated Asia as opposed to a secondary role on the periphery of the free world position in the Pacific.

4. The revival of the inherent Japanese spirit of nationalism and hypersensitivity to real or imagined discrimination which will again constitute a fundamental source of difficulty in relations, in particular, between the "white" nations and Japan, and bring about a certain amount of reaction against the U.S. and "things American".

5. The expectation that the coming into effect of a treaty of peace will result in a much more substantial lessening of the overall impact of U.S. forces upon Japan than is likely to be the case.

D. There will be an increased and continuing effort by the Communists to drive a wedge between Japan and the U.S. through exploitation of all of the issues implicit in C.

E. The degree to which the U.S. forces stationed in Japan will effectively contribute to U.S. security and other U.S. objectives in the Far East is dependent upon the degree to which Japan accepts and cooperates with such forces.

F. Disparities in living standards and differences in race and social customs between U.S. personnel and the Japanese population give rise to frictions which, in general, can best be minimized by minimizing contacts between the two groups.

G. In view of the previous history of western extraterritoriality in the Far East and in particular in Japan, the Japanese will be particularly sensitive to questions of jurisdiction and police powers.

H. Apart from the foregoing considerations, as Japanese defense forces are constituted and the spirit of nationalism revives, the acceptability of the continued stationing of U.S. troops in Japan will progressively decrease.

II PRINCIPLES

While the foregoing is also pertinent to the formulation of the whole range of U.S. policy toward Japan, certain principles applicable to the stationing of U.S. military forces in Japan may be deduced therefrom. The policies adopted should be such as to anticipate and forestall pressures from the Japanese rather than such as eventually force the U.S. to be responsive to Japanese pressures for changes.

Therefore, the following principles should be among those applied :

A. Immediately upon the coming into effect of the treaty there should be in some manner a distinct break, readily perceived by all Japanese, between the Occupation and garrison status of U.S. forces in Japan.

The exact nature of this break cannot now be determined but it should be something more than a ceremony transferring remaining SCAP responsibilities and authority to the Japanese Government and the disbanding of what will then be a very small

SCAP staff. For example, within the realistic possibilities of the situation, it should include the return to the Japanese of all physical properties outside of those which will be occupied by the garrison forces.

B. The garrison forces and overhead units should be kept to minimum size consistent with the performance of their mission. To the maximum possible extent supporting and headquarters units should be located outside of Japan; for example on Okinawa.

C. Garrison and subsidiary installations should be located outside principal centers of populations, be self-contained in so far as possible, and be of such construction and contain such facilities as will contribute to the maximum morale and efficiency of the personnel.

It will be particularly desirable that the garrison forces do not impinge any more than absolutely necessary upon Japanese private and commercial properties even though such properties have been in use by the Occupation forces. Maximum use should be made of former Japanese Army and Navy properties, ports and facilities.

D. In general, all arrangements for and administration of the security arrangements with Japan should not be less favorable to Japan than such arrangements with the NATO or other sovereign countries, particularly in such matters as jurisdiction.

E. Japan should be treated as a real partner in the sharing of a common defense burden. This includes careful attention to planning with the Japanese the increasing contribution to be made by them to their own defense and the accompanying decreases in the U.S. garrison.¹

¹ In a memorandum of October 8, to Mr. Rusk, Mr. Bond, then in Washington for consultations, stated in part: "The views of the Mission [in Tokyo] with respect to measures to be taken in implementation of the Security Treaty between the United States and Japan are entirely in accord with those set forth in . . . [the memorandum printed here]." (611.94/8-2251)

In telegram C 50803 of September 14 from Tokyo, marked "Deptar for JCS," General Ridgway stated in part:

"On the one hand we must keep in mind the basic reality governing our relations with the Japanese. This will be the reality of sovereign power. In theory Japan will be sovereign. In practice the survival of that sovereignty will reside in the power of the United States Armed Forces stationed on her soil, if Japan should be the subject of Soviet armed attack. Until such time as Japan shall have created the minimum essential means reasonably to safeguard her political and territorial integrity against external attack and internal subversion, her independent national existence will rest not in her hands, but in those of the United States.

"On the other hand, and this is the opposing requirement, the maintenance of Japan as an effective, responsive and cooperative ally for the far future—a major US objective—requires that we have a thorough understanding of her national characteristics and sensibilities, and in the light of that understanding that we here accord her that courtesy and consideration in our daily lives to which her past and potential future eminence, and her sovereign position entitle her." (Copy enclosed with memorandum of October 3 from Mr. Hemmendinger to Mr. McClurkin, not printed, 611.94/8-2251)

Lot 54 D 423

Memorandum by the Officer in Charge of Thai and Malayan Affairs (Landon) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

[WASHINGTON,] August 30, 1951.

After extended conversations with the British Embassy on Japanese Assets in Thailand we have concluded that it is impossible to reach agreement on the distribution of the assets at this time and that in fact it might be much easier to reach agreement after the San Francisco Conference and indeed after the various neutral countries holding Japanese assets have given some indication of their reaction to Article 16. We agreed on the attached draft statement, the substance of which might be used by the U.S. and U.K. delegates in reply to possible questions by other delegates regarding Japanese assets in Thailand. It was intended that only the first paragraph be used in reply to general questioning in order to keep the subject as general as possible and that the six points be referred to only if the questioning was pressed.

[Attachment]

FOR USE IN REPLY TO POSSIBLE QUESTIONS AT THE SAN FRANCISCO CONFERENCE REGARDING JAPANESE ASSETS IN THAILAND UNDER ARTICLE 16

The U.K. and U.S. Governments which since 1945 have acted as trustees of certain assets in Thailand which might possibly be considered as Japanese external assets, have found it necessary to give separate consideration outside of Article 16 of the proposed Japanese Peace Treaty to the disposition of these assets because of their complex origins and of the conflicting claims revolving about them. Some of the complexities of the situation were:

1. Some of the assets were the proceeds of a sale to Thailand of the Burma-Thailand Railway built largely by prisoners of war using equipment derived from other Southeast Asian countries.
2. Other of the assets appeared in reality to be Indian assets.
3. Another substantial amount was of uncertain origin and held in a U.K. custody account.
4. Another large portion of the total was similarly held in a U.K. custody account and regarded by the U.K. as war booty.
5. Another substantial sum was held by the Thai Bureau of Enemy Property against which Thai citizens have placed war damage claims due to loss during the Japanese occupation.

6. A final sum was held in a joint UK-US account in New York and was the proceeds of the sale of tin of undetermined origin—possibly looted from the Thai, possibly German, possibly Japanese.¹

¹ In telegram 671, to Bangkok, September 20, repeated to London, drafted by Mr. Landon, the Department stated:

"Brit officials from London while in Washington discussed on Sep 13 disposition assets in Thailand generally regarded as Jap assets. It was agreed without commitment by either US or UK Govts that solution shld be sought bearing in mind fol:

(a) That assets in Thailand of Jap ownership at time of first coming into force of Peace Treaty with Japan less such valid claims as are made against them shld under Art 16 of the Treaty be transferred by Japan to Internatl Comite of Red Cross.

(b) In view special circumstances, favorable consideration shld be given to transfer to Thai Govt of certain other assets in Thailand which have hitherto been held as 'Jap Assets'.

(c) That further consideration this question shld be postponed until agreed statements of account become available from Bangkok." (292.9441/9-2051)

Documents in file 292.9441 indicate that the United Kingdom and the United States were unable to reach agreement in 1951 on the disposition of all items among the former Japanese assets in Thailand, and that therefore no final settlement was reached during the year.

694.001/8-3051 : Telegram

*The Chargé in the Republic of China (Rankin) to the Secretary of State*¹

SECRET

TAIPEI, August 30, 1951—5 p. m.

298. Chi Govt encountering difficulty drafting formula for scope application bilateral treaty with Japan view lacking info fol points:

1. Is inclusion such formula intended satisfy Jap or UK? FonMin feels quite useless attempt meet UK desires.
2. Have Japs insisted on inclusion such formula?
3. If formula devised which satisfies us will Japs accept?

Matter discussed in Exec Yuan yesterday and FonMin was supported in continuing exploratory efforts but agreement appeared feasible only on fol basis:

(a) Formula wld not constitute integral part of bilateral treaty but covered in some form separate agreement. Definite understanding on this point wld be reached before treaty signed without being made formal condition for treaty signature and formula.

(b) Wld not be placed in definitive document until shortly before multilateral and bilateral treaties take effect. Latter cld involve considerable delay and situation might change materially in meantime requiring different handling while preserving principle.

¹ Repeated to Tokyo as number 37.

Understand Chi Govt considering several alternative drafts in formula of which fol two perhaps most acceptable to all concerned.

1. This treaty shall in respect of Republic of Chi be applicable to terms which are at present or may hereafter be under its effective control.

2. Treaty shall apply to terms which are at present or may hereafter be under effective control of respective contracting parties. Second alternative has advantage treating both sides alike which includes practical consideration future control of Ryukyus and other areas.

Dept and Tokyo comment requested urgently also answer to first three numbered questions if possible.

RANKIN

690.941/8-3151 : Telegram

*The Acting Secretary of State to the Embassy in India*¹

SECRET PRIORITY

WASHINGTON, August 31, 1951—8 p. m.

498. For Henderson. Press reports Nehru told Parliament Asian countries may hold a Jap conference of their own after US sponsored conference in San Francisco ends.²

If foregoing reports confirmed, you are directed seek earliest possible personal interview with Nehru and inform him orally US Govt views in a very different light India's passive decision, on one hand, to refrain from signing Jap Peace Treaty San Francisco, and on other hand, positive action on India's part to organize separate Jap conf of Asian states, thereby actively exercising its influence dissuade such other Asian states from adhering.

As PriMin and Amb Pandit are aware, San Francisco draft treaty in its present form is result many months earnest labor designed not only effect an unprecedentedly generous and non-punitive settlement of an enormously bitter costly war in which we emerged unconditional victors, but also to reconcile strongly-held and widely divergent views of the several participants, many of whom desired either firm guaran-

¹ Telegram drafted by William Witman, Officer in Charge for India, Nepal, and Ceylon Affairs in the Office of South Asian Affairs. Repeated to Djakarta, Karachi, Rangoon, London, and Moscow.

² In telegram 823 from New Delhi, September 2, Mr. Henderson stated in part his belief that press reports received by the Department were in error regarding the Prime Minister's statement.

"Based on full local press coverage Nehru . . . made remarks along following lines: Re possible conference, GOI in constant touch with Burma and Indonesia re views those countries on draft treaty and was at one time suggested conference these three countries shld be held but general view was that question could be considered only after San Francisco conference had taken place."

"Re GOI views re its treaty with Japan, kind of bilateral treaty GOI contemplates was very simple treaty putting end to state of war and also making provisions for trade and commerce; treaty wld not deal with political or other controversial matters." (690.941/9-251)

tees against a resurgence of Jap militarism or reparations beyond Japan's capabilities.

Nevertheless, GOI has exercised its inalienable right abstain and we respect that decision though we deeply regret it. India cannot fail share in benefits of a peace with Japan, whether or not India signs San Francisco treaty, both in security arrangements if made which wld deter aggression against an otherwise unarmed Japan, and in guarantees against possible eventual resurgence Jap aggressive militarism.

Org of rival conf of Asian states, however, which wld encourage such states to refrain from united participation in re-estab of Jap sovereignty and creation of stable conditions for peace in Far East constitutes obstruction which in US Govt view wld scarcely be consistent with friendly relations which have characterized Indo-US relations. US Govt wld be failing in candor if it did not speak thus forthrightly and is confident PriMin will reconsider before proceeding with any actions which might have such result.

Quite aside from all other considerations US Govt also feels impelled in strictest confidence draw PriMin's attn to a danger inherent in PriMin's reported project for rival Asian Conference, which can hardly fail open way to participation Chi Commies, USSR and possibly other satellites. We doubt that views of GOI and those of CPR towards settlement of Jap question are sufficiently close to permit of signature of a mutually satis doc which wld also be acceptable to sovereign state of Japan. Such eventuality wld strongly convey impression GOI definitely aligning with Soviet bloc.

US Govt confident PriMin will appreciate spirit in which such advice is given.

Henderson may in his discretion inform UKHC. London inform FonOff.

WEBB

Editorial Note

In telegram Sanco 4, to San Francisco, August 31, drafted by Mr. Melby, the Department stated in part:

"Romulo . . . told me he wld opportunely submit note to Dept requesting permission add several Phil reservations to treaty. He expressed hope he cld receive prompt refusal requested permission in order that in campaigning for Phil reaction [*ratification?*] he cld state he had used every means available to secure compliance fullest Phil desires." (694.001/8-3151)

On September 3, Secretary Acheson received in San Francisco from Foreign Secretary Romulo a note in which the Philippine Government stated its intention to sign the Japanese Peace Treaty subject to the following reservation:

"The right of the Government of the Republic of the Philippines to negotiate and mutually agree with the Government of Japan on the kinds and forms of reparations due the former from the latter and the manner of their payment or delivery is hereby reserved, any provision of the present treaty to the contrary notwithstanding."

The Philippine note closed with a request for the views of the United States. In his reply of September 5 the Secretary reviewed negotiations between the United States and the Philippines regarding Article 14 of the draft treaty, reiterated the opposition of the United States to all reservations, and concluded: "Therefore, the Government of the United States trusts that the Government of the Philippines will find it possible to sign the Treaty without reservations." (Text of both notes is contained in instruction 84 to Manila, October 31; 694.001/9-351)

For text of Secretary Romulo's address to the Peace Conference delivered September 7, which includes reference to the Philippine reservation, see Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan: Record of Proceedings* (Washington, Government Printing Office, 1951), page 233.

693.949/9-151: Telegram

*The Acting United States Political Advisor to SCAP (Bond) to the Secretary of State*¹

SECRET

TOKYO, September 1, 1951—6 p. m.

Topad 459. This is Bond's 28 to Taipei rptd info Dept 459. Re urtel 298, Aug 30 to Dept² rptd Tokyo 37. Jap Govt has not raised matter of scope of application of possible bilateral treaty with Chi Nats. PriMin has stated Jap Govt desires peace settlement with Chi Nats but details such agreement have not been discussed.

Our estimate is that Jap Govt will accept formula satisfactory to US for scope application of bilateral treaty and that such formula shld facilitate Jap Diet approval and public acceptance of treaty with Chi Nats.

Do not feel in position here to comment on first suggested draft formula but doubt advisability second suggestion since possible implication Japan might regain effective control over any renounced area might (a) arouse Jap irredentist sentiment and prejudice public acceptance territorial provisions, and (b) create adverse internatl reaction in view Japan's past record as aggressor.

BOND

¹ The Department repeated this telegram to San Francisco on September 4 for the information of Messrs. Rusk and Dulles.

² *Ante*, p. 1311.

694.001/9-351

*Memorandum of Conversation, by the United States Political Adviser
to SCAP (Sebald)*

CONFIDENTIAL

[SAN FRANCISCO,] September 3, 1951.

Subject: Call by Prime Minister Yoshida

Participants: The Secretary
Ambassador John Foster Dulles
Mr. Dean Rusk
Ambassador Sebald
Prime Minister Shigeru Yoshida
Kumao Nishimura ¹
Akira Matsui ²
Ryuji Takeuchi ³

After the usual preliminaries, the Secretary said that he had several matters to which he wished to invite the attention of Mr. Yoshida, in order that the latter might have a clear understanding of our thinking regarding the essential nature of the conference. The underlying concept of the conference will be in accordance with the terms of the invitation which is for the conclusion and signature of the Treaty of Peace. In consequence, it would be fatal to allow any changes whatsoever to be made in the text of the August 13 draft, as to do so would reopen all the issues previously settled by lengthy negotiations. The result would be that no treaty would become possible.

The Secretary stressed the need for the Japanese to assist in their approaches to other delegations which might be wavering regarding the signature and specifically mentioned Indonesia, [the] Philippines, [the] Associated States, and Pakistan. He hoped that in arranging for meetings between the Japanese delegation and other delegations, particularly Asiatic, the Prime Minister would overlook protocol and make the approaches. The Secretary suggested that Mr. Dulles might wish to expand on some of the topics that might be covered in discussions between the Japanese and other Asiatic delegations.

Mr. Dulles explained at considerable length the necessity that the Japanese be responsive in discussing the reparations question. He said the wording of Article 14 is such that some of the interested Asiatic Governments are concerned whether Japan, after the signing of the treaty, might fail to enter into negotiations in a spirit of good

¹ Director, Bureau of Treaties, Ministry of Foreign Affairs and Adviser to the Japanese Delegation.

² Private Secretary to Prime Minister Yoshida and Adviser to the Japanese Delegation.

³ Chief of the Japanese Government Overseas Agency in Washington and Adviser to the Japanese Delegation.

faith. He ventured the opinion that the reparations formula would in fact be of benefit to the Japanese economy in that it would enable Japan to employ its excess industrial capacity, give employment to its people, re-establish trade channels and in general have a salutary effect, if properly carried out, towards establishing good relations with the countries concerned. On the other hand, it would not be desirable at this time to make any firm commitments regarding amounts or even procedures to be followed; the conversations should be positive and along lines of broad principles. Ambassador Sebald said that it would also be desirable for the Prime Minister in such discussions to leave the impression that Japan is prepared at the earliest possible time after the treaty is signed to enter into negotiations.

The Secretary explained the necessity for keeping the substance and terms of the Security Treaty secret in view of the desirability of keeping all discussion of this treaty out of the principal conference. The tentative thinking is that at some time after the treaty signature the United States and Japan will concert to arrange the actual publication and signing of the Security Treaty. Mr. Dulles pointed out that once the Security Treaty creeps into discussions in the conference it would be most embarrassing because all the discussion would tend to center upon the Security Treaty instead of the Treaty of Peace. Mr. Yoshida said that he agrees.

In response to a question by Mr. Yoshida regarding relations with China, the Secretary said that he felt sure that Mr. Yoshida would be asked regarding the attitude of Japan towards the formulation of its policy vis-à-vis Nationalist China and Red China. He felt that Mr. Yoshida should say something to the effect that this problem, being of such great importance to Japan, is still under study and that no decision has as yet been reached but that it is hoped to arrive at some conclusion after the treaty had been signed. Mr. Dulles hoped that Mr. Kawada could proceed to Formosa shortly and that the Overseas Agency could be established there soon after the treaty is signed.

Reverting to the nature of the conference, Mr. Dulles pointed out that some countries probably are not prepared to sign and perhaps will not sign. He felt that in these instances nothing essential would be lost as it would be possible for such countries to enter into bilateral arrangements with Japan. Mr. Rusk said that we naturally wish all countries to sign and that every effort must be made to convince wavering countries of the desirability of joining into one document at this time, as naturally it is a more practical solution to have the Treaty of Peace in one document rather than in several. He also added the thought that aside from the negative aspects of criticizing certain articles of the treaty, the tone of the conference is of the greatest importance. He hoped that in their approaches to other delegations

the Japanese would adopt a positive attitude in order that the conference attitude might be one of constructive effort rather than one of bickering and ill-feeling among the many countries involved.

On the question of a press release concerning the nature of the Prime Minister's call, it was agreed that the wording should be general in nature and that emphasis should be placed upon the fact that the United States and the United Kingdom are co-sponsors.

Mr. Yoshida and his assistants departed at 7:10 p. m.

Editorial Note

In a newspaper interview granted September 3, 1951, Mr. Dulles replied to certain assertions made by the Government of the U.S.S.R. regarding the preparation and content of the Japanese Peace Treaty. For text, see Department of State *Bulletin*, September 17, 1951, page 461.

Lot 54 D 423

*Memorandum of Conversation, by the United States Political Adviser
to SCAP (Sebald)*

SECRET

[SAN FRANCISCO,] September 3, 1951.

Subject: Calls by Prime Minister Yoshida upon Certain Asiatic Delegations

Participants: Kumao Nishimura
Ryuji Takeuchi
Ambassador Sebald

Messrs. Nishimura and Takeuchi called at my request. I referred to yesterday's remarks by the Secretary on the question of the need for the Japanese to approach some of the Asiatic nations for the purpose of winning over those delegations which might be wavering regarding signature of the treaty. I said that the most difficult problem is that of Indonesia, but rather than single out Indonesia, it might be well if the Prime Minister were to make courtesy calls upon Indonesia, Philippines, Pakistan and Ceylon, in that order, if possible. The Associated States might be left for the time being.

In his conversation the Prime Minister should attempt to stress two principles: (1) that the present treaty is desired by and is entirely acceptable to the Japanese people who wish to have this treaty which they consider liberal in its terms; (2) the question of Article 14 (reparations)—the Prime Minister should reassure the delegations and especially the Indonesians that Japan is interested in seeing that the provisions of this Article are carried out in the best of good faith, that the formula devised really means something, is workable, and that it

will become the vehicle for re-establishing good relations between Japan and the country concerned. I stressed the fact that it is necessary that the Indonesians are convinced that there is "something in" the treaty for them.

I further suggested that if the Indonesians should raise various economic questions the Prime Minister might be well advised to reassure them that he appreciates the importance and complexity of these problems and that every effort will be made by Japan to resolve these questions by appropriate negotiations at the earliest opportunity after the signing of the treaty.

Messrs. Nishimura and Takeuchi assured me that they would carefully explain my remarks to the Prime Minister and felt certain that he would act accordingly.

Lot 54 D 423

Memorandum of Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[SAN FRANCISCO,] September 3, 1951.

Subject: Visit of the Indonesian Foreign Minister

Participants: Minister of Foreign Affairs Ahmad Subardjo
Ambassador Ali Sastroamidjojo
Secretary of State Dean Acheson
Assistant Secretary of State Dean Rusk

The Indonesian Foreign Minister, accompanied by Ambassador Ali, called on the Secretary of State and remained about 30 minutes.

After the usual exchange of courtesies, the Foreign Minister said that the Indonesian Delegation was here under precise instructions from the Indonesian Government and that, under these instructions, the Foreign Minister would report daily to his government on developments in San Francisco. He said that the Cabinet would make the decision as to whether Indonesia would sign the Treaty. Indonesia was generally sympathetic to the broad foreign policy of the United States. The fundamental problems in the Japanese Peace Treaty, from Indonesia's point of view, arise in the economic clauses. The Foreign Minister said that the Indonesian Government was grateful for the recognition in the Treaty of the principle of reparations but that it was not clear how such principles would be implemented. He referred also the importance of the fishing problem since the re-entry of Japanese fishing vessels into Indonesian waters raised the spectacle of a new Japanese imperialism in that area. He referred to the "most useful discussion" which he had had the day before at luncheon with

Mr. Dulles and Mr. Rusk¹ and said that, in order to be as helpful as possible he had drafted Indonesia's views in terms of amendments to the Treaty (copy of which is attached).²

The Secretary of State told the Foreign Minister that we hoped that there was broad agreement between Indonesia and the United States on the "big purpose" of the Conference and of the Treaty. If we could reach agreement on the big purposes, some of the important but lesser matters could then be worked upon in an effort to find a satisfactory conclusion. The Secretary said that the big purpose of the Conference and the Treaty was to make peace with Japan and to return the Government of Japan to the Japanese. He said that the United States felt that the military occupation must be brought to an end and that the American people did not wish to continue in the position of telling the Japanese how to run their affairs. He thanked the Foreign Minister for the expression of his views in writing and told him that we would be in touch with the Indonesian Delegation today or tomorrow about them. The Secretary did not wish to comment on them until he had had an opportunity to study them in detail.

Ambassador Ali then said that he agreed that the big purpose of the Conference was to make peace with Japan and that Indonesia was in sympathy with that purpose. He said, however, that Indonesia must also be deeply interested in the peace of Indonesia and that the obstacles to peace in Indonesia lie in the economic field. He said that most of the difficulties which Indonesia has found in launching its new nation derive from economic problems. He said that Indonesia would like to see some of these problems dealt with adequately in the Japanese Peace Treaty; if that were not possible, it might be possible to reach a satisfactory result through some other arrangement, perhaps of a bilateral sort. He indicated that a bilateral agreement between Indonesia and Japan, supported by the United States, might be a means for meeting the problem.

The Secretary and Mr. Rusk both said that we would look at their views very carefully, that we had been and are sympathetic to Indonesia's economic problems, and that we would consider what might be done to be helpful.

[Here follows a discussion of issues outstanding between Indonesia and the Netherlands.]

The conversation was friendly throughout and we had the impression that the Indonesians would be interested in signing the Treaty if

¹ Record of this conversation is contained in telegram Cosan 5 to Washington, September 2, repeated to Djakarta, not printed (694.001/9-251).

² Not printed. Minister Subardjo in part quoted, and in part summarized, these amendments in his speech of September 7 before the Conference. For text, see Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan: Record of Proceedings* (Washington, Government Printing Office, 1951), pp. 219-224.

they could get some reasonable assurance that a satisfactory arrangement could be worked out on the economic questions they raised.

894.10/12-1251

*Memorandum of Conversation, by the Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs (Hemmendinger)*¹

CONFIDENTIAL

[SAN FRANCISCO,] September 3, 1951.

Subject: Japanese Financial Problems

Participants: Finance Minister Ikeda

Mr. Watanabe

Mr. Miyazawa ²

Mr. Joseph M. Dodge ³

Noel Hemmendinger

1. Mr. Dodge said he had read in the papers that Mr. Ikeda and Mr. Ichimada ⁴ were going to Washington to confer with him and United States officials, but that was the first he had heard. He had had to deny any knowledge.

Mr. Ikeda stated that he and Mr. Ichimada had been appointed to the Japanese peace treaty delegation with the expectation that they might have occasion at the same time to discuss financial questions with Mr. Dodge and officers of the United States Government in Washington. It was not known that Mr. Dodge would be in San Francisco. Since there will be opportunity to discuss matters with Mr. Dodge at San Francisco, Mr. Ikeda was not sure that there was any occasion for him to go on to Washington, which would not be too convenient because there were important matters that would require his attention in Japan. He invited Mr. Dodge's views.

Mr. Dodge replied, and Mr. Hemmendinger confirmed, that the period immediately following the peace conference was not opportune for serious discussions with United States financial leaders because of the pressure of other matters and because the study of the major Japanese financial questions in the United States Government was still at a working level. Mr. Ikeda stated that in the light of this comment he definitely would not go to Washington.

2. Mr. Dodge said that he would like to take this opportunity to make a general observation, which he had made also to Japanese visitors to him in Detroit, that in their enthusiasm for the treaty, the

¹ Mr. Hemmendinger was also an Adviser to the U.S. Delegation to the Japanese Peace Conference.

² Kiichi Miyazawa, Private Secretary to the Minister of Finance.

³ Fiscal Adviser to the Under Secretary of the Army, Financial Adviser to SCAP, and Adviser to the U.S. Delegation.

⁴ Hisato Ichimada, Governor of the Bank of Japan.

Japanese seemed to have an inadequate realization of the serious responsibilities of a financial nature which Japan would face in the post-treaty period. He referred among other things to the necessity for Japan to undertake the procurement which has been done or assisted currently by United States Government agencies.

In commenting, Mr. Ikeda referred to Japanese obligations on pre-war indebtedness, on the GARIOA indebtedness, on reparations and compensation for UN property in Japan. In addition, he mentioned to the Japanese obligations for security (including the Japanese share of mutual defense arrangements and the police reserve), compensation to Japanese nationals for loss of overseas assets and veterans' allowances. Consideration of the latter two, Mr. Ikeda indicated, was still in a preliminary stage.

Mr. Ikeda said that it was the general conclusion of the Japanese Government that after their best efforts to meet this series of external and internal obligations, there would be a need for United States assistance on a loan basis. He realized that discussion of this problem was premature. Mr. Dodge remarked that this matter would be carefully analyzed by the United States Government and the Congress and pointed out that Congress was looking very skeptically upon requests for foreign assistance.

3. With respect to the problem of procurement mentioned by Mr. Dodge, Mr. Ikeda commented upon the difficult situation faced by Japanese importers who had over-extended themselves in purchasing imported raw materials, upon the likelihood that Japan would face a dollar shortage in the long run, and upon the shortage of electric power. Mr. Dodge agreed that these were very real problems and commented particularly upon the role of usance bills in the over-extension of credit. Mr. Ikeda observed that there was no adequate credit control over the bank loans. Mr. Dodge suggested that the following controls were needed and probably no others: *a.* strong controls over the use of foreign exchange to purchase imported materials; *b.* allocations of raw materials; *c.* selective credit controls; and *d.* general budgetary controls.

4. Mr. Dodge and Mr. Hemmendinger pointed out that the main business here in San Francisco was the peace treaty and emphasized the importance of a responsive attitude by the Japanese on Article 14(*a*)1, which would assure the interested countries that the Japanese were prepared to negotiate soon in good faith.

Mr. Ikeda said that Mr. Dulles had told Prime Minister Yoshida, who had stated to the Diet, that there was no essential difference between the final text of the treaty and the July draft. Mr. Ikeda did not agree and thought that Article 14(*a*)1 as presently drafted represented a definite obligation which would have to be met. If the discharge of this obligation could be linked to the Point IV program

and United States programs of assistance in Southeast Asia, it would be more palatable to the Japanese.

Mr. Hemmendinger outlined the principles which in United States thinking should apply to the negotiation under 14(a)1: that the finished goods to be supplied be imports on the part of the reparations recipient over and above normal trade with Japan, and over and above normal imports of that country from all sources; and that they represent on the Japanese side the use of productive resources that would be otherwise unutilized. These principles could be applied only imperfectly, but would be an important guide. The United States proposed to say the same, if occasion arose, to the countries interested in reparations. Mr. Ikeda expressed interest in this formula and referred specifically to the Japanese shortage of electric power. He inquired whether the text of Article 14(a)1 would limit the services to be supplied to those which would not impair Japan's foreign exchange position. Mr. Hemmendinger replied that technically the clause referring to Japan's foreign exchange position related only to the provision with respect to supply of raw materials, but that the more general provision that the reparations be in such form as not to cast additional liability upon other allied powers might be applicable.

Mr. Hemmendinger stated that if the Japanese desired, the United States could supply some technical information on the arrangements of the Italian-Yugoslav reparations agreement. Mr. Ikeda expressed interest and the matter was left for later discussion.

5. Mr. Dodge referred to a recent statement by Prime Minister Yoshida to General Ridgway that Japan intended to repay the GARIOA obligation in full, and asked what the Japanese had in mind. Mr. Ikeda asked first what the total obligation was considered by the United States to be. Mr. Dodge stated that the United States estimates were somewhat over \$1.8 billion. This figure as an estimate of aid rendered seemed to be satisfactory. Discussion then indicated that the steps involved were, first, acknowledgement in principle by Japan of an obligation to repay GARIOA assistance, second, agreement upon the total sum to be repaid and, third, agreement upon precise terms of repayment (including the possibility of both dollar and yen payments). Mr. Ikeda referred to the arrangements for repayment of United States aid rendered in Europe under the Marshall Plan, and stated that according to his information the loan-grant ratio was 12-88%. He was not suggesting that 12% represented an acceptable settlement for Japan, but considered that the Marshall Plan arrangements afforded a possible basis for determining the amount of United States aid which should be repaid. He also pointed out that before the institution of the counterpart fund the Japanese had no information on the aid rendered and suggested that a distinction might be made between aid rendered before and after that time. According to their

records, aid received after the counterpart fund was between \$800-900 million.⁵

6. Mr. Dodge asked how the obligations which had been reviewed in the conversation to this point could be reconciled with proposals for tax reduction which seemed to be current in Japan. Mr. Ikeda stated that this was a matter of definition, that a surplus of about 100 billion yen was anticipated this year, of which he thought about 40 billion yen should be returned to taxpayers as representing income due to price increases. He then discussed briefly other elements of the projected supplemental budget for 1951 and the 1952 budget. He indicated that only the supplemental budget had thus far been brought to the attention of GHQ, SCAP.

⁵ In memorandum of a conversation held in San Francisco September 7 between Mr. Ikeda, Mr. Dodge, and other officials, Mr. Hemmendinger stated in part:

"Mr. Ikeda pointed out that under Japanese law any obligation must be approved by the Diet. Although the Japanese Government recognizes an obligation with respect to the GARIOA advance, it would have to be approved by the Diet before any action could legally be taken. Mr. Dodge and Mr. Hemmendinger indicated that the United States recognized that this was the case, and Mr. Dodge pointed out that the size of the United States security forces which would be maintained in Japan had not yet been determined and that the Japanese contribution to the support of this could be much larger than 30 billion yen. Mr. Ikeda stated that the computation was based upon the arrangements with respect to the United States air forces in the United Kingdom and represented approximately 20% of estimated total costs. He was informed that while the United States was still studying this problem, the tentative arrangement which had been discussed with Prime Minister Yoshida based upon the United Kingdom precedent was not considered applicable. While the United States recognizes the principle that arrangements with Japan should be comparable with those of other sovereign nations, other things being equal, there is in fact no comparable situation in Europe unless it be that in Germany, where United States forces are still on an occupation basis. The situation in Japan differs from any of the European situations in that Japan will be making for this period comparatively modest expenditures for her own security and will be greatly dependent for that security upon the presence of United States forces. Mr. Ikeda made no comment."

(894.10/12-1251)

Lot 54D423

Memorandum of Conversation, by the Deputy Director of the Office of British Commonwealth and Northern European Affairs (Satterthwaite)

CONFIDENTIAL

[SAN FRANCISCO,] September 3, 1951.

Participants: Netherlands Foreign Minister, Mr. Stikker
 Ambassador van Roijen
 Secretary of State Dean Acheson
 Mr. Dulles
 Mr. Satterthwaite

The Secretary and Mr. Dulles asked Mr. Stikker and Ambassador Roijen to lunch to explore with them ways of overcoming Dutch difficulties which had arisen in connection with certain aspects with

the reparations aspects of the Japanese Peace Treaty (Article 14b).¹

After a general discussion, the Secretary remarked that we understood some domestic problems had arisen in Holland on reparations questions and we would like to talk about them. Stikker said that his government recently—he emphasized that it was a recent development—had been under strong criticism from the large and powerful organization of Dutch civilians who had been interned in the East Indies by the Japanese. Stikker said that, unlike the case in many other countries, the Dutch civilian internees greatly outnumbered the prisoners of war, the ratio being about 100,000 civilians to some 30,000 prisoners of war. While the prisoners of war who had been interned have been taken care of, most of the civilians, except those who had been helped by some of the large companies they were working for, had lost everything and had not received any relief. Stikker said that this organized group of civilians, including families of voting age, numbered about 70,000 and that they had been criticizing the government, first for its, what they term, “soft” policy towards Indonesia and second, because the Japanese Peace Treaty draft appeared to commit the Dutch government to the abandonment of all possibility of private individual claims against the Japanese Government. In addition the treaty specifically provided that Japanese funds in neutral countries, if recovered, would be distributed by the Red Cross only to prisoners of war and not to civilians. Stikker pointed out that the main difficulty arose from the fact that the original draft did not point up these possible discriminations but that the present version did, thus calling attention to the discrimination against civilians. His government felt that not only was the emotional appeal of these people who had lost everything in Indonesia strong enough to upset the Government but that legally their charge that the government in signing the Japanese Peace Treaty was depriving them of a right which constitutionally it could not do, had validity. Stikker then said quite frankly he had instructions not to sign the Peace Treaty unless some way could be found to clarify these two points.

Mr. Dulles explained the history of the negotiations with the British and Australians and others on these points, and described the evolution of the articles dealing with the reparations and neutral funds question. Stikker agreed with him that a change to include civilians would not be acceptable to the British or Australians who were under political pressure from the prisoners of war rather than civilians, and said he had already sounded out the British and Australians with no

¹ In a memorandum of August 29 to Mr. Allison, Mr. James C. H. Bonbright, Deputy Assistant Secretary of State for the European Affairs, had stated in part that the Government of the Netherlands had accepted (on August 28) its invitation to the Japanese Peace Conference but had stated its acceptance did not imply signature if its desiderata could not in some way be met (Lot 54D423).

success. Mr. Dulles pointed out that it made no difference to us since we had already compensated our citizens in other ways and in any case the amount would be so small as to be negligible. Mr. Dulles agreed to explore with our advisers the possibility of devising a formula which would make it clear that while the Japanese would in no sense be committed to recognize the claims of individuals, nothing in the Treaty would prevent them from making such adjustments as they felt it desirable to make as a matter of enlightened expediency.

The Secretary spoke briefly of the serious effect in Europe or [of?] any breach among the European countries and particularly the NATO countries, in the solid front on the Japanese Peace Treaty. Stikker agreed and seemed hopeful that a solution could be found.

690.941/9-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, September 3, 1951—3 p. m.

825. 1. Told Bajpai this morning Dept had seen press reports from Delhi indicating Asian countries including GOI may hold Jap conference their own following US sponsored conference in San Francisco and had queried Emb (Embtel 823, September 2).¹ I asked whether GOI was planning attend such Asian conference and whether it had discussed or was discussing matter with other Asian countries.

2. Bajpai said in confidence when Burmese Foreign Minister² visited Delhi several weeks ago latter had suggested conference of India, Burma and Indo to discuss Jap treaty before San Francisco conference. Nehru had discouraged idea pointing out he unwilling have such conference in India since he did not wish US Govt obtain impression he was encouraging other Asian States not to sign treaty and in view pressing problems facing him he cld not leave India attend such conference. Nehru had indicated that if any conference shld take place to discuss treaty relations with Japan it shld not be until after San Francisco conference. Bajpai maintained GOI had not further discussed matter of conference after San Francisco with either Burma or Indo. He added he did not believe conference wld serve any useful purpose since India had already made clear type of treaty which it intended to sign, that is simple peace treaty without political clauses or conditions. Bajpai did not however promise such conference wld not be held.

3. Bajpai told me he wld not report our conversation to Nehru since he extremely anxious just now not pour oil troubled waters. He was

¹ See footnote 2, p. 1312.

² Sao Hkun Hkio.

afraid Nehru wld take exception in his present temper to inquiry this kind from US.

4. I believe Bajpai sincere in statements. Nevertheless not impossible in my opinion Nehru may be playing with idea encouraging calling such conference in order strengthen his influence over Indonesia and Burma and strengthen his future position with extreme nationalistic and socialistic anti-American elements in Japan. It is also my opinion that any kind appeal to PriMin on our part not to participate in or hold such conference wld serve no useful purpose.

5. If in spite my conversation Bajpai and my own opinion expressed above Dept wld like me approach PriMin following his return from Kashmir along lines Deptel 498, August 31 I shall make such approach on receipt appropriate instructions.³

HENDERSON

³ No such instruction has been found in Department of State files.

For additional documentation on the effect of India's position on the Japanese Peace Treaty on Indian-U.S. relations, see pp. 2085 ff., especially Ambassador Henderson's telegram 1026 of September 17, p. 2182.

H. Alexander Smith Papers, Princeton University

Unsigned Memorandum of Conversation

[Undated.] ¹

MEMORANDUM RE CONFERENCE BETWEEN HAS AND PRIME MINISTER OF JAPAN YOSHIDA IN SAN FRANCISCO DURING THE WEEK OF SEPTEMBER 3RD TO 8TH, 1951

HAS met Premier Yoshida on the introduction of Mr. William R. Castle² and had an interesting conference of about an hour, or an hour and a half. The principal matters that HAS made a note of at the time were the following:

1. Mr. Yoshida's special interest in General MacArthur and the gratitude which he felt for what MacArthur had done for the Japanese people. He said that he had a very special arrangement with MacArthur whereby if he had any problems of government he could quietly contact the General and get the benefit of the General's advice.

¹ Senator Smith's "Diary" entry for September 4 reads in part as follows: "Yesterday I saw Dulles re developments and he told me of the conversation with Yoshida. I was angered to learn that apparently Acheson left the door open for the Japs to recognize and make a treaty [with] Communist China and not Nationalists. Dulles was disturbed so a conference was arranged for me with Yoshida." The "Diary" indicates also that this conference took place on the 3d. (Smith Papers) For Mr. Sebald's memorandum of a conversation held September 3 between the Prime Minister, Secretary Acheson, and other officials, see p. 1315.

² William R. Castle, Jr., Under Secretary of State, 1931-1933.

He said that this had been of great value to him and that the General had never let him, or the Japanese people down. His advice had been constantly in the best interests of the development of the democratic processes in Japan among the Japanese people.

2. *The recognition of Communist China.* HAS discussed frankly with Yoshida the possibility of Japanese recognition of Communist China and the making of a peace treaty with the Communist Peiping Government, rather than with the Nationalist Government on Formosa. Yoshida assured HAS that there was no possibility of Japan making a peace treaty with the Chinese Communists. He said that Japan might postpone some time making a peace treaty with either group, but without committing himself, he implied that they are interested really in making the peace treaty with General Chiang Kai-shek and the Nationalist crowd, but under no conditions with the Communists.

3. *Trade with China.* Yoshida pointed out that during the period that Formosa was a part of the Japanese Empire, there was quite a brisk trade with Formosa back and forth. He said that Formosa contributed rice and sugar to the Japanese economy and also said manufactured products. He pointed out that since the war this trade had been practically cut off, but he was hopeful that the trade in rice and sugar could be built up. He said he saw little hope at the present time for a revival of manufactured products from Formosa.

With regard to the China mainland, he said that prior to the war there had been less than 5% of Japanese total foreign trade with the China mainland, outside of Manchuria. He saw no particular advantage in making a deal with the Commies in order to get this mainland China trade reestablished. On the other hand, he emphasized the great importance of Manchurian trade and the Manchurian industries. He raised the question of whether possibly some kind of a trade arrangement might be made to reestablish this Manchurian trade. He had no specific suggestion to make, but he emphasized again that it should not be in the form of a peace treaty with the Chinese Communists.

4. *The China Nationalist Government on Formosa.* In answer to a question from HAS he said that he did not know Mr. K. C. Wu³ personally. He said that K. C. Wu had sent a private message to him asking if he would meet with K. C. secretly in Japan if K. C. came to Japan. He said he felt very strongly that secret meetings were unwise, and, therefore, had declined to participate in any secret meeting. He seemed to be somewhat critical of K. C. for having suggested a secret conference.

³ Governor of Taiwan.

5. *Ratification of the Treaty.* Yoshida asked HAS whether HAS thought the Japanese or the United States should ratify the treaty first. He seemed to be unaware that the treaty itself provides for the ratification by Japan before ratification by the other treaty participants. HAS advised him very strongly that Japan should ratify as promptly as possible, even if it required a special calling of the Japanese Diet together. Yoshida said he felt that this was right and he would take immediate steps to have the treaty ratified by the Japanese Diet. HAS was not in a position to give him any assurance as to whether or not the treaty would be promptly ratified by the United States, although it may be noted here that HAS feels very strongly that as soon as Japan has ratified our Foreign Relations Committee should start holding hearings on the treaty and recommend it to the Senate for ratification as promptly as possible, as in any event there will be an extended debate on the treaty.

Editorial Note

For public record of the Conference held at San Francisco September 4 through 8, 1951, see Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan: Record of Proceedings* (Washington, Government Printing Office, 1951).

794.00/9-451

*Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (McClurkin) to the Director of that Office (Johnson)*¹

TOP SECRET

[WASHINGTON,] September 4, 1951.

Subject: Depurge of Former Japanese Career Officers.

In connection with the problem of depurging Japanese "career officers" commissioned after July 7, 1937, Colonel Everett, who has just returned from Tokyo, has informed us that the recent action taken by SCAP was in effect a blanket de-purge, with no review of cases on an individual basis.² He states that the Government Section advised

¹ Memorandum drafted by Douglas W. Overton of the Office of Northeast Asian Affairs.

² In telegram C 69141 to the Department of the Army, August 18, General Ridgway had reported that 5,774 Japanese officers had already been depurged during August, with action on another 30,000 expected by the end of the month. "These actions are based on examinations of individual records pursuant to State and DA view expressed Para 1 of DA 93011 of 2 Jun 51. [See footnote 5, p. 1140.] However, since literal compliance with the requirement stipulated in DA 93011 that a 'substantial case' be made that 'such individuals have been opponents of Jap expansionism and totalitarianism' would have limited the number of possible depurgees to a mere handful of former officers of question-

the Japanese Government to depurge all officers commissioned after July 7, 1937, with the exception of persons who were members of the so-called Tojo clique and that the Japanese Government simply went through the pile of cases, weeding out these cases (which were very few in number) and approving the remainder for depurge.

Under the circumstances, where we are faced with a *fait accompli*, we have two alternatives if we feel called upon to defend this action:

1) Continue to maintain the fiction that the records of the depurgees show them to have been opponents of Japanese expansionism and totalitarianism; or,

2) Accept the SCAP formula that persons commissioned after July 7, 1937, should be excluded from the category of "career officers".

Obviously, neither of the foregoing alternatives is particularly desirable: the former is patently dishonest, and the latter is very weak from the legal point of view. It follows that the best course for SCAP and the U.S. Government to adopt would be to avoid any comment on the subject if such can possibly be done. However, if we feel that we are forced to defend the action at San Francisco or in the FEC or ACJ, I believe the latter alternative offers the only possible basis for a reasonably satisfactory explanation.

I am attaching hereto a draft of a proposed telegram to SCAP in reply to his request for concurrence with his formula for justification of the depurges. In general it follows his line of reasoning, but sets forth the case somewhat more succinctly. The draft has been concurred in by Colonel Everett, by Miss Fite of L/FE (after discussion with Mr. Tate) and by Mr. Merchant.³

The Army is pressing us for speedy action in the matter; in addition, the subject may be raised at San Francisco, although we would hope that the necessity for any United States comment would not arise. Consequently, I should appreciate receiving your approval or comments by telephone if possible.

able qualifications, and since the urgency of the military need would not permit further delay, it has been nec to permit the Jap Govt to administer the depurge procedure on the basis of screening criteria predicated on presumptions which in effect permit blanket depurge of younger officers as contemplated in the original SCAP proposal and individual depurge of senior officers whose records reveal no implication in notorious Army incidents of the 1930, war crimes, and secret or extremist organizations and movements including the post surrender period."

[By "original SCAP proposal" was meant in this context depurge of all officers commissioned on or after July 7, 1937, without reference to possible intent of an officer, in taking a commission, to become an officer of career.]

General Ridgway had concluded by requesting State and Defense Departments comments on possible formula for justification of this action, and had himself recommended that justification be on the grounds of a SCAP definition of the term "career officer" rather than on evidence of opposition of depurgees to expansionism and totalitarianism. (794.5/8-1851)

³The text of this draft, not printed, is virtually identical to that of telegram DA 81477 from the Department of the Army to SCAP, September 14, also not printed (794.5/9-1451).

794,5621/9-451

The Secretary of Defense (Marshall) to the Secretary of State

TOP SECRET

WASHINGTON, September 4, 1951.

DEAR MR. SECRETARY: I am forwarding herewith, for whatever action your Department considers necessary, a photostatic copy of my letter to the President, dated 28 August 1951, concerning the new policy for arming Japanese-manned ships. The President approved this policy on 29 August 1951.

The Joint Chiefs of Staff have been requested to take appropriate action to implement this policy, at the appropriate time.

Faithfully yours,

G. C. MARSHALL

[Enclosure]

TOP SECRET

WASHINGTON, August 28, 1951.

DEAR MR. PRESIDENT: The Joint Chiefs of Staff have recommended that I obtain your approval on the following policy respecting the arming of Japanese-manned ships. Current policy decisions of the Far Eastern Commission prohibit the arming of coastal patrol ships that are Japanese-manned. The Joint Chiefs of Staff have now informed me that the depletion of the occupation forces in Japan has created a situation in which the internal security of the islands and the security of the occupation forces may be seriously threatened.

Consequently, the Departments of State and Defense have reevaluated the political and military aspects of this new situation and have jointly agreed to a new policy which will permit the Supreme Commander for the Allied Powers (SCAP) to utilize Japanese forces adequately armed for defense and the maintenance of internal security. This new policy, which I recommend for your approval, is as follows:

"In view of the radically changed conditions and the increased need to insure the security of Japan, the Supreme Commander for the Allied Powers is authorized to establish a Japanese-manned coastal security force, organized and equipped along normal coast guard lines, composed of vessels with appropriate armament and speed, and under SCAP operational control, to be operated in waters contiguous to the Japanese islands."

This represents the appropriate interim policy statement for the period between the signing of the Treaty of Peace with Japan and the coming into effect of the Treaty. When Japan regains her sovereignty and the right to provide for her own defense, a new United States policy, in connection with the Japanese security forces, will be appropriate.

It is the understanding of the Departments of State and Defense that the coastal security force established by SCAP would be placed under the direct operational control of American officers, and that the

vessels would carry armament appropriate for coast guard craft. The Secretary of State has concurred in this proposed policy statement on the understanding, which the Joint Chiefs of Staff and I confirm, that this coastal security force will be organized along normal coast guard lines; the armament and speed of the vessels will be that of normal coast guard character; the force will, in general, be constituted so as to provide no valid basis for an assumption that it is in fact the nucleus of a revived Japanese navy; and that no action will be taken looking toward the reestablishment of a Japanese navy without approval at the highest levels of this Government.

The Secretary of State has recommended, and the Joint Chiefs of Staff and I have concurred, that the proposed statement of policy be presented to you for approval with the understanding that it will not be implemented until after the signing of the Treaty of Peace with Japan. The Secretary of State has informed me that, if this proposed policy meets with your approval, he will inform certain friendly members of the Far Eastern Commission of the implementation of this action at the appropriate time.¹

With great respect,

Faithfully yours,

G. C. MARSHALL

¹ The following note is handwritten in the margin of the original: "Approved Aug. 29, 1951 Harry S Truman".

The substance of the paragraph in quotations (in the letter above) was transmitted to SCAP on September 18 with the following comment:

"In approving the foregoing policy it was concluded that you as SCAP have the authority to do this within your administrative discretion. However, prior to your taking formal action and matter becoming public knowledge State desires inform UK and certain other friendly FEC countries of proposed action. Anticipate this can be completed within 2 or 3 weeks, at which time you will be notified. In meantime suggest you proceed with informal preparations on basis strict secrecy."

(JCS telegram 81770 of September 18 to SCAP; copy attached to memorandum of November 27 from Mr. Allison to Mr. Webb, not printed; 894.501/11-651).

Lot 54D423

Memorandum of Conversation, by the Deputy Director of the Office of British Commonwealth and Northern European Affairs. (Satterthwaite)

CONFIDENTIAL

[SAN FRANCISCO,] September 4, 1951.

Participants: Netherlands Foreign Minister, Mr. Stikker
 Ambassador van Roijen
 Mr. Dulles
 Mr. Metzger¹
 Mr. Satterthwaite

¹ Stanley D. Metzger of the Office of the Assistant Legal Adviser for European Affairs.

Following the conversation of September 3 between the Secretary, the Dutch Foreign Minister, Mr. Dulles, the Dutch Ambassador, and Mr. Satterthwaite,² Stikker and van Roijen called on Mr. Dulles to work out a draft statement which the Netherlands Foreign Minister could make to the Conference and the suggested reply which the Japanese might make to it after the Conference had terminated. Mr. Stikker emphasized that the purpose of this statement was not to obligate the Japanese actually to pay out any money to the claimants. He realized fully that this was an unlikely possibility. He emphasized again, however, the statement he had made to the Secretary the day before that the Dutch Government was faced with a difficult legal problem, namely, that without a proper interpretation agreed to by the Japanese, it would appear that the Dutch Government was, by the act of signing the Japanese Peace Treaty, giving up without due process rights held by Dutch subjects. He also pointed out again the difficult political problem with which the Government was faced and repeated that unless he had satisfaction on this point his instructions were not to sign.

Mr. Dulles asked Mr. Satterthwaite and Mr. Metzger to try to work out a satisfactory solution with the Dutch Delegation.³

[Enclosure]

PROPOSED REPLY BY THE JAPANESE DELEGATION

In view of the constitutional legal limitations referred to by the Government of the Netherlands, the Government of Japan does not consider that the Government of the Netherlands by signing the Treaty has itself expropriated the private claims of its nationals so

² *Ante*, p. 1323.

³ The following footnote was printed in the source text :

"*Note:* After further discussions between members of the U.S. Delegation and the Dutch Delegation on one hand, and the U.S. Delegation and the Japanese Delegation on the other, a formula was arrived at which satisfied all three delegations. A copy of the Dutch statement and the agreed on reply by the Japanese is attached hereto.

"It should be noted that also the American Delegation pointed out to the Japanese the need for the Dutch Foreign Minister receiving the Japanese reply prior to his arrival back in Holland where he would have to face the Parliament, the mechanics and timing of working out the arrangements were left for settlement between the Japanese and the Dutch. It was suggested that the Dutch Foreign Minister write a letter to the head of the Japanese Delegation, quoting that pertinent part of his statement to the Conference. The Japanese Foreign Minister would then reply in the exact words quoted in the enclosure to this memorandum."

Only the Japanese reply is printed. The Dutch statement was delivered by Minister Stikker in the course of his address before the Conference September 6. For text, see the paragraphs headed by the numeral "2." in Department of State, *Japanese Peace Conference*, p. 197.

Material in Department of State files does not indicate whether the procedure outlined above was followed.

that, as a consequence thereof, after the Treaty comes into force these claims would be non-existent.

However, the Japanese Government points out that, under the Treaty, Allied nationals will not be able to obtain satisfaction regarding such claims, although, as the Netherlands Government suggests, there are certain types of private claims by Allied nationals which the Japanese Government might wish voluntarily to deal with.

693.94/9-551 : Telegram

*The Acting Secretary of State to the United States Delegation in San Francisco*¹

SECRET

WASHINGTON, September 5, 1951—6 p. m.

Sanco 60. (for Rusk and Dulles) Dept proposes fol as reply Taipei's 29S Aug 30² but desires ur comment before despatching:

"Dept believes full answer all questions explicit and implicit ref tel cannot be given at this time on theoretical basis but wld emerge in course exploratory negots between Chi and Jap Govts. Dept has therefore encouraged initiation such exploratory discussions through Kawada³ or other suitable means.

Fol info may be helpful understanding US views particularly re 3 numbered questions ref tel:

1. We are in no sense attempting satisfy UK. We are attempting encourage Chi to recognize possible need during negots with Japs of some mutually satisfactory formula re present scope Chi Govt *de facto* auth and to arrive at formula on basis of which we cld in good conscience urge Japs enter into bilateral with Chi Natls after multilateral signing.

2. We not aware Japs have ever raised question of formula but in all realism it can be expected they will.

3. We have no basis for knowing whether Japs wld accept formula, but see PolAd estimate in Tokyo's 28 Sept 1 rptd Dept 459:

In event Chis device formula which they prepared accept if Japs raise matter during bilateral negots and which seems reasonable to us, we wld undertake urge upon Japs desirability of negotiating bilateral with Chi Natls. ["]⁴

WEBB

¹ Telegram drafted by Mr. Merchant and Mr. Stuart.

² *Ante*, p. 1311.

³ Isao Kawada.

⁴ On September 7, upon receipt of approval of this text by Messrs. Rusk and Dulles, the Department forwarded it to Taipei as telegram 220, repeated to Tokyo as 401 (693.94/9-751).

694.001/9-651 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET

SAN FRANCISCO, September 6, 1951.

Cosan 16. For Webb from Rusk. Fol are comments on events first full day San Francisco conference which Dept may wish repeat Defense and Ridgway.¹

1. Conference moved with unexpected speed and with large majorities to brush aside procedural obstacles and adopt US UK sponsored rules of procedure which insure that conference is for purpose signing present text peace treaty, with such preliminary statements as govts wish to make prior to signing. Cloture of debate by conference after two hours procedural wrangling was not at US instigation. In fact USDel and conference chairman were prepared to spend somewhat more time to insure right of minority to be heard and to allow Soviets to demonstrate that majority must act firmly to protect rights of majority from abuse. It was apparent, however, that by time cloture motion was put by Latin American dels there was little interest in further debate on rules of procedure. US, UK and Soviets abstained in vote on cloture. Of great significance was fact that, despite timing and method of cloture action, irritating to some dels, vote on adoption rigorous rules of procedure was 48 to 3, which was a grand slam vote (excluding Commies) for US-UK position. That this overwhelming majority included Indonesia, Pakistan, Ceylon, and Phils was especially gratifying.

2. Attitude Soviet del deserves special notice. Gromyko was either caught off balance by speed of developments or was clearly not trying to make major and determined fight. It seems unlikely that experienced and clever parliamentarian such as Gromyko could not, even by improvisation, have caused considerably more difficulty than was in fact produced. He missed number opportunities to make damaging moves on points of order which would have created confusion and possibly differences of view among majority. Difficulties which we had anticipated on important points did not materialize. It seemed strange that his amendments to US-UK draft rules of procedure did not include attacks on fundamental concepts such as those contained in Articles 1 and 7.

3. Soviet fight for admission Red China was miserable failure, possibly Gromyko was disconcerted by fact that majority which was itself

¹ Telegram relayed to General Ridgway through Department of the Army channels.

sharply divided on Chi recognition presented solid front in refusing consider invitation Peiping. Possibly Gromyko was under instruction not to make last ditch fight on admission Peiping for reasons unknown.

4. Gromyko's statements on substance were more moderate in language than Soviet statements in UN usually are and re-hashed themes already presented in Soviet notes and propaganda re Jap treaty in recent months. Many dels surprised that Gromyko was not more menacing in tone.

5. In seeking explanation Gromyko tactics beyond range of surprise and parliamentary ineptness, question is raised whether Soviets may not wish San Francisco conf to end quickly in relation to time table other events for which Jap treaty would provide at least partial pretext. Or Soviets may wish cast themselves as innocent victims of aggressive US preparatory some serious development Soviet policy or action. For example, they may be preparing politically for resumption large scale offensive in Korea, perhaps going beyond previous Communist offensive Korea as to scale, area and nature.

On optimistic side would be possibility that Soviets are worried and possibly confused and that increase US and free world strength and momentum behind this treaty is beginning to make impression particularly when backed by overwhelming majority other govts from all important world regions. British del here split on whether today's development shld be interpreted with pessimism or optimism. Matter obviously requires urgent and careful intelligence assessment.

6. USDel has been somewhat surprised by strong surge of support from 48 dels in non-Commie majority. Although we felt when we reached San Francisco that 40 or more signatures would be good result, there is outside chance that 48 signatures will be forthcoming. There remains some difficulty with both Netherlands and Indonesia on economic clauses and domestic situation both countries may prevent signature. Pakistan, Ceylon, Philippines and Arab States are now expected to sign.

7. Shld not be overlooked that Soviets still have many opportunities to pursue obstructive tactics at this conference as, for example, proposals to amend rules and that their instructions on tactics cld be changed from day to day. Above comments relate only to events of first full day conference final results of which shld by no means be taken for granted. Dulles, Bohlen and Rusk concur this message. [Rusk.]

ACHESON

694.001/9-651 : Telegram

*The Secretary of State to the Acting Secretary of State*¹

SECRET

SAN FRANCISCO, September 6, 1951—3 p. m.

Cosan 22. From USDel San Francisco.

1. Yoshida called September 4 on Subardjo. There have been subsequently talks between Indo del and Japs. As of noon September 6 Indos had prepared letter to be addressed to Japs covering reparations. Japs now considering letter which will probably be acceptable to them. Text not immediately available. Indos request that Jap reply be transmitted via USDel and we believe we may be able to accommodate them this matter.

2. Indos and Japs have also talked evening September 5 re fisheries. Zain² and JapDel have indicated to USDel officers that these conversations were satisfactory. We will continue follow question closely to render what practical assistance we can to end that Japs and Indos reach satisfactory solution.

3. Indo del still maintains that Indo Govt has not yet authorized it sign treaty, even though Sudjono on September 5 informed Japs that Indo will sign. Therefore suggest you continue to press as you have done so skillfully and ably in past for Indo cabinet to authorize signature treaty. You of course may use such info as contained this tel and two preceding tels covering (1) conversation Subardjo with Dulles-Rusk;³ (2) Secy with Subardjo.⁴

4. Indo scheduled address conf morning September 7. Signing ceremony now set for September 8.

ACHESON

¹ Repeated to Djakarta and Tokyo later on the 6th from Washington.

² Zairin Zain, Head of the Economic Division of the Indonesian Foreign Ministry and an Alternate Delegate to the Conference.

³ See footnote 2, p. 1341.

⁴ For the memorandum by Mr. Rusk of this conversation held September 3, see p. 1318.

In telegram 394 from Djakarta, September 7, Ambassador Cochran reported in part that he had carried out this instruction (694.001/9-751).

894.10/12-1251

Memorandum of Conversation, by the Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs (Hemmendinger)

CONFIDENTIAL

[SAN FRANCISCO,] September 7, 1951.

Subject: Japanese Financial Problems

Participants: Governor Hisato Ichimada—Bank of Japan
 Mr. Seiichi Motono—Adviser to Japanese Delegation
 Mr. Joseph M. Dodge—Adviser to U.S. Delegation
 Mr. Noel Hemmendinger—Adviser to U.S. Delegation

[Here follows discussion of the Japanese Development Bank and of the Japanese foreign exchange position.]

3. Governor Ichimada referred to Japan's gold holdings and suggested that a part of the gold should be deposited with the IMF before ratification of the Treaty and that the balance be used as a basis for credit. Otherwise he feared that it might be subjected to demands for reparations. Mr. Dodge said he had recommended some time ago that the gold be put in the Federal Reserve Bank in New York but that there had been political objections. He suggested that there would probably still be political objections to this course. Mr. Hemmendinger called attention to the FEC decision that Japan's gold holdings should ultimately be used for reparations and stated that although the United States has insisted this decision is subject to the United States priority for occupation costs, the United States position had not been accepted by all governments. He also pointed out that once the Treaty entered into force the FEC decisions would have no standing and Japan could do as it liked with the gold. He thought that from a political standpoint it was clearly preferable that the gold stay where it is until the Treaty enters into force.

Governor Ichimada expressed fear that the Filipinos might try to attach the gold as reparations. He suggested that this could be forestalled by the United States accepting the gold as repayment of GARIOA aid and then making the equivalent available as a loan. Mr. Hemmendinger stated that in his judgment neither SCAP nor the Department of State would countenance such a course of action before the entering into force of the Treaty, as it would put both Japan and the United States in a bad light.

Governor Ichimada explained that he was now referring to the period after the Treaty and suggested that the gold be used to repay the GARIOA advances and then used as a basis for credit. He asked whether the United States did not assert a priority for the GARIOA claim.

Mr. Hemmendinger stated that the United States took the position that its claim for GARIOA assistance had priority, but that in practice it would be necessary to examine all the claims against Japan together. He suggested that the approach to the problem involved in Governor Ichimada's suggestion represented an unfortunate attitude toward the reparations obligation, and stated that the United States was prepared to see the reparations obligation weighed by Japan along with its obligations to the United States.

Mr. Dodge observed that he did not see much merit to the linking of the use of the gold to the GARIOA obligation, and reiterated that the United States did not want to see the Japanese give merely lip service to the reparations obligation. He reminded Governor Ichimada of the Philippine and Indonesian attitudes as voiced only

today at the Peace Conference, and suggested that any surplus revenues in the Japanese budget should be applied first of all to Japanese Treaty obligations. He asked Governor Ichimada what were his views in round figures on the GARIOA obligations. Governor Ichimada replied that he thought that portion which had gone into Japanese rehabilitation as distinguished from purposes of the occupation should be repaid, and estimated this at between \$500,000,000 and \$700,000,000.

4. Governor Ichimada brought up the subject of U.S.-Japanese economic cooperation and stated that it was very difficult for Japan to meet demands which the United States might make without knowledge in advance of what might be required. Mr. Dodge pointed out that the only segment of this program which has yet assumed concrete form is aluminum production. It is as difficult for the United States as for Japan clearly to foresee what may be asked, as many conflicting interests are involved. The principle has been established at a high level and some progress has been made on implementation, but it cannot be expected to be rapid. The situation is likely to remain such that Japan will have opportunity to meet the demands made on her.

Governor Ichimada said he would like to see Japan's idle plants and excess manpower put to use before U.S. capacity is expanded. If this is not done, there will tend to be a great unbalance between the respective economies. Mr. Dodge replied that the possibilities in the excess industrial capacity are thoroughly understood in the United States Government, but the United States cannot be expected to blueprint the Japanese economy. It is bound to regard the problem primarily from the standpoint of U.S. bottlenecks and the United States cannot be expected to rearrange its production to meet the needs of Japan.

Governor Ichimada said that he had been trying to get U.S. industrialists to consider the possibilities of production in Japan. Mr. Hemmendinger suggested that that is how U.S.-Japanese economic cooperation must work, that is, through the manifold arrangements made by various U.S. concerns and by U.S. Government orders in accordance with a general principle, rather than through a detailed governmental plan.¹

¹ In a letter of December 14 to Frank A. Waring, Economic Counselor of the Office of the U.S. Political Adviser to SCAP, Mr. Hemmendinger indicated in part that little had been done since September with regard to financial negotiations with Japan because it had seemed desirable to await the result of discussions on "security expenditures" which General Ridgway had been authorized to hold with Prime Minister Yoshida, discussions regarding which neither the State nor the Army Departments had as yet received word. "Every analysis of our economic position vis-à-vis Japan is brought up short at the moment by inability to predict the volume of defense procurement in Japan, or even to know whether it will be of major proportions." He stated the principal question before the Department was of whether to support major loans to Japan in the near future. (894.00/12-1451) See Mr. Yoshida's letter of December 22, p. 1465.

[Here follows discussion of the Japanese budget and renewed discussion of the Japanese foreign exchange position.]

Editorial Note

The signature ceremony for the Japanese Peace Treaty took place at the San Francisco Opera House on the morning of September 8, 1951. Signatories were Argentina, Australia, Belgium, Bolivia, Brazil, Cambodia, Canada, Ceylon, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Indonesia, Iran, Iraq, Laos, Lebanon, Liberia, Luxembourg, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, the Philippines, Saudi Arabia, Syria, Turkey, the Union of South Africa, the United Kingdom, the United States, Uruguay, Venezuela, Viet-Nam, and Japan.

The Treaty was signed for Japan by Messrs. Yoshida, Ikeda, Tomabechi, and Ichimada and by Representative Niro Hoshijima and Councillor Muneyoshi Tokugawa. Signers for the United States were Mr. Acheson, Mr. Dulles, and Senators John J. Sparkman of Alabama and Alexander Wiley of Wisconsin, both members of the Foreign Relations Committee. For the complete list of signers, see the official text of the Treaty with two Declarations, Protocol, and Exchange of Notes in Department of State, *Treaty of Peace: Proceedings*, pages 313-455 or 3 UST (part 3) 3169. (The Exchange of Notes is omitted from the former source.)

The Security Treaty between the United States and Japan was signed later that same day at the Presidio of San Francisco. Prime Minister Yoshida signed for Japan. The signers for the United States were Messrs. Acheson, Dulles, and Wiley and Senator Styles Bridges of New Hampshire, a member of the Foreign Relations Committee. For text, see 3 UST (part 3) page 3329.

Japan ratified both treaties on November 19, 1951.

694.001/9-851 : Telegram

The Secretary of State to the Acting Secretary of State

CONFIDENTIAL

SAN FRANCISCO, September 8, 1951—4 p. m.

NIACT

Cosan 33. From USDel San Francisco. Dept pls rpt Djakarta niact and priority Amb from O'Sullivan.¹

¹ James L. O'Sullivan, Acting Officer in Charge of Indonesian and Pacific Island Affairs. The telegram was relayed to Djakarta at 10:45 p. m. Washington time.

1. On Sept 6 Indo del addressed fol letter re fisheries to Jap del:

"With reference to conversation held by reps of Indo and Jap dels of Wed night Sept 5, in Palace Hotel at San Francisco on subject of fishing and fisheries on high seas, I have the honor to state that fol is the understanding of Indo del in regard results of that conversation.

"It was understood that in accordance with Art 9 of Jap peace treaty the regulation or limitation of fishing and conservation and development of fisheries on high seas between and surrounding the Indo Islands would be settled in a friendly and brotherly way between Indo and Jap nations and wld be subject of a treaty between Indo and Jap, to be concluded as soon as possible after signing of peace treaty.

"It was further understood that said treaty wld be based on principle that in interest of both nations fishing activities on above mentioned seas should be regulated and limited in order to preserve amount of fish in those areas and to safeguard seafood supply of Indo people.

"This letter is forwarded to you through the intermediary of del of the US of Amer to the Jap peace conference.

"The Indo del wld be grateful if the Jap del wld confirm the above in the same way. Please accept, etc. Signed Ahmad Subardjo."

2. Same date Japs replied as fols:

"I have the honor to acknowledge receipt of Your Excellency's note dated Sept 6, stating the understanding of the Indo del in regard to results of conversations held by reps of the Indo and Jap dels on Sept 5, as fols:

[Here follows a repetition of paragraphs two and three of the Indonesian note.]

"I have the honor to confirm hereby the understanding of the Indo del, it being understood, however, that the internationally recognized freedom of high seas shld always be respected and that no waiver of international rights of the Jap Govt is implied hereby.

"Please accept, etc. Signed Shigeru Yoshida."

3. On Sept 5, Indo del addressed fol letter re reparations to Jap del:

"With reference to meeting between heads of the Indo and Jap dels in the Palace Hotel at San Francisco on Sept 4, followed by further discussions of representatives of said dels on the same date, I have the honor to state that fol is the understanding of Indo del in regard to results of above mentioned meetings.

"1. Jap is prepared to pay reparations to Indo for damage suffered by Indo during second world war in accordance with provisions stipulated in Art 14 of the Jap peace treaty.

"2. Those reparations will be specified and amount thereof fixed in a bilateral treaty between Indo and Jap, which will be concluded as soon as possible after signing of peace treaty.

"3. Disputes which might arise between Indo and Jap concerning interpretation or execution of reparations treaty to be concluded, which cannot be settled by diplomatic means, shall be settled in accordance with provisions in Art 22 of the Jap peace treaty.

"The Indo del wld be grateful if the Jap del wld confirm the above through the intermediary of the del of the US of Amer.

"Accept, Excellency, etc. Signed Ahmad Subardjo."

4. On Sept 6, Jap del replied as fols:

"I have the honor to acknowledge receipt of Your Excellency's note dated Sept 5, asking confirmation by my del of the fol understanding in connection with our meeting in Palace Hotel at San Francisco on Sept 5.

[Here follows a repetition of numbered paragraphs 1, 2, and 3 of the Indonesian note.]

"I have the honor to confirm hereby the above stated understanding."

5. Indo letters in (1) and (3) above handed Jap del by US del. Jap replies in (2) and (4) above transmitted via US del to Indos under cover simple transmittal note.

6. Amb Ali just before signing ceremony Sept 8 asked Rusk if US in position give Indos note indicating US wld help Indos in negotiations on fisheries and reparations. Rusk replied that US wld do anything short of "making itself co-signatory of Jap notes" identified above. We are considering note along lines of assurances given by Dulles in conversation with Subardjo (Cosan 5, Sept 2 particularly fifth para).² Text will be cabled when prepared.³

7. We expect Indos to make public letter (1) through (4) inclusive. You may use info above at your discretion.

ACHESON

² In this telegram, which concerned a conversation held September 1, Mr. Rusk had stated in part: "[Mr. Dulles] emphasized that regardless of treaty clauses, whether in fact Jap paid reparations was matter their intent . . . He said that as lawyer if Indos were convinced of Jap good faith in question reparations, he would advise them to sign treaty; that if they were not convinced of Jap good faith this question, he would advised them against such signature. However, he pointed out that if Indos signed peace treaty, they could be assured of US help, mediation and support in their negotiations with Jap this question; that if they did not sign, they would probably get nothing out of Japan. . . . I then suggested, and Indos accepted, to arrange that Jap del should seek them out for discussion reparations question." (694.001/9-251)

³ In telegram 331 to Djakarta, September 15, the Department reported that the preceding day Minister Subardjo, then in Washington, had been handed a note (not printed) "confirming that procedure adopted by US Del at San Francisco in channelling certain communications between Indo FonMin and Jap PriMin through US Del was intended and shd be interpreted as token US support for Indo Govt in matters mentioned in above corres." (694.001/9-1551)

694.001/9-851 : Telegram

The Ambassador in Indonesia (Cochran) to the Secretary of State

PLAIN

DJAKARTA, September 8, 1951.

PRIORITY

404. In vote approving treaty signing¹ Cabinet split 11 to 6 with Masjumi, PIR, Catholic, Democratic faction and nonparty Ministers pro while PI and Eu Ruh opposed.² Parkindo Minister absent but party opposes signing. PNI announced Friday night opposed to signing on basis reports from party reps in Indo delegation Frisco. Feel treaty not to advantage Indonesia, contrary independent foreign policy. PSI sponsored PRL motion last night urging govt not to sign: govt parties left chamber when voting came on resolution thus making sufficient quorum impossible, forcing tabling resolution, PNI, PSI, Parkindo and left groups all definitely against ratification.³ PNI intimated intent withdraw Ministers from Cabinet if treaty ratified, refuse accept responsibility govt action.⁴

In public statement yesterday, Burmese Embassy denied statement by vice chairman Parl that Burma charged Indo has deserted her. Said "Burma fully understands Indo decision attend conf". Compared Indo with maiden choosing marriage with wealthy foreigner "whose

¹ This vote was taken the evening of September 7.

² The last few words of this sentence are apparently garbled. PNI and PSI both opposed the treaty.

³ In telegram 407 from Djakarta, September 10, Ambassador Cochran indicated in part that the position taken by the PNI leadership and cabinet members against signature was contrary to his previous expectations. In the course of his message Mr. Cochran pointed out that texts of the recent exchanges of notes between Japan and Indonesia had not reached Djakarta at the time of the Cabinet's vote but did not indicate whether in his opinion this fact had any bearing on the outcome. (694.001/9-1051)

⁴ Ambassador Cochran reported in part in telegram 506 from Djakarta, October 1, as follows:

"Visited Subardjo noon today his request. He said PNI Party Council yesterday decided follow earlier decision party executives. He said this means PNI will not withdraw members from Cabinet but favor delay ratification Jap Peace Treaty until bilateral agreements negotiated with Jap on reparations and fisheries. He is convinced from his experience San Francisco that Indo will be able procure agreements directly with Japan, if supported by US, which will lead PNI vote favorably in Parliament for ratification all three treaties." (694.001/10-151)

The mentioned bilateral negotiations were not undertaken during 1951. However, since the two countries appeared at times to be on the verge of holding talks with regard to fisheries, certain American officials several times received instruction as to the nature and extent of the support to be rendered Indonesia in talks concerning both fisheries and reparations. Documentation on this subject is not printed; it is contained in files 611.006, 611.006 NP, 611.946, and 656D.94 for 1951. Of particular value are Instruction No. 67 to Tokyo, November 2, with enclosed memorandum of October 29 from Mr. Rusk to William C. Herrington, Special Assistant to the Under Secretary; telegram 1277 to Tokyo, November 28; and telegram 603 to Djakarta, December 7 (656D.946/11-251, 694.006/11-2251, and 694.006/12-351, respectively).

love might not last too long" in preference simple devotion rustic lover. Urged "Asian countries concerned take joint action protect selves".

In comment yesterday, prior announcement Cabinet decision, Indo abstaining vote on Soviet proposal invite Commie China Frisco drew strong criticism from Parl reps PSI, PIR, Parkindo and left parties. Pedoman reports even political circles favoring signature regretted action because feel it neglect of friendly relations Commie China and that active independent policy does not imply purely negative stands.⁵

COCHRAN

⁵ In telegram 301 to Djakarta, September 8, drafted in the Office of Philippine and Southeast Asian Affairs, the Department stated in part: "Indo Govt decision to sign Jap Peace Treaty in San Francisco despite Indian abstention and Sov opposition is considered most significant step which Indo Govt, historically jealous of its policy of 'independence', has taken toward aligning itself with free world." (694.001/9-851)

693.94/9-951

*Memorandum of Conversation, by the Consultant to the Secretary
(Dulles)*

SECRET

ON THE PLANE FROM
SAN FRANCISCO TO WASHINGTON,
September 9, 1951.

Participants: Foreign Minister Herbert Morrison
John Foster Dulles

Secretary Acheson remarked to me that Mr. Morrison wanted to discuss the Japanese-Chinese situation and asked me to talk with him, which I did. Mr. Morrison said that he hoped that nothing would be done to crystallize the Japanese position toward China until after the Treaty of Peace came into force. He said that otherwise he might have difficulty about ratification. I said to Mr. Morrison that if nothing was done we, too, might have difficulty about ratification. I told him that, of course, we had not made any secret arrangements or understandings of any kind with the Japanese, as had been rumored. There was, however, the reality which had not been disguised, namely, that the present Government of Japan was strongly anti-Communist and did not want to favor or encourage the Communists either in Japan or on the Asian Mainland. The Communists themselves were violently attacking the Yoshida Government and were continuing to demand the trial of the Emperor as a war criminal. As against this, the Japanese Government had good relations with the Nationalists. It was their representative, General Ho, who was in Japan as Chinese member of the Allied Council, and trade relations with Formosa were satisfactory and important for Japanese economy. Under these circumstances it could hardly be expected that the Japanese Government would long preserve complete neutrality. We had in fact under-

stood that Yoshida had thought of stating in his speech at San Francisco that he did not intend to do business with the Chinese Communists, and we had urged against any such public commital at this time. We could not, however, suppress indefinitely the natural desire of the Japanese Government which, we assumed, included at least such recognition of the Nationalist Government as would assure their good will in various United Nations organizations where that Government had a vote and a voice which the Japanese needed on their behalf as applicants for membership in these United Nations agencies. Also, we assumed the Japanese would want quickly to put trade, diplomatic and consular relations with Formosa on a normal, peacetime basis. None of this, however, necessarily implied Japanese acceptance of the Chinese Nationalist Government as empowered to speak for and to bind all of China. I recalled that I had expressed this point of view in London.

Mr. Morrison indicated that he saw no serious objection to what he referred to as a "de facto" arrangement between the Japanese Government and the Chinese Nationalist Government which, in substance, covered the points I had made. He indicated, however, that a full recognition of the Nationalist Government as having legitimacy and power to bind all of China so as wholly and forever to pre-empt the field of future relations would, in his opinion, be seriously objectionable and if this occurred prior to the coming into force of the present Treaty would seriously embarrass his Government and expose it to the charge of having been deceived by the United States.¹

¹ In telegram 586 from Tokyo, September 19, Mr. Sebald reported in part:

"Clutton today asked me whether I had any info re Jap intentions negot bilat treaty with Chi Natl Govt. When I replied to effect this was matter for Jap consideration and that I was without info re their intentions at this time, Clutton pointed out that Brit FonOff construes understanding with Dulles to mean that Jap wld not make choice re Chi until treaty comes into effect and that any negot between signing and return full sovereignty to Jap wld be considered breach of spirit if not letter this understanding." (693.94/9-1951)

Lot 64 D 563: PPS Files

*The Consultant to the Secretary (Dulles) to the Under Secretary of State (Webb)*¹

CONFIDENTIAL

[WASHINGTON,] September 10, 1951.

Administrative arrangements ought now to be made to handle the following matters:

1. The Secretary of State will presumably desire to submit promptly to the President the text of the four Treaties, i.e., Japanese Peace

¹ Source text found attached to a covering note of September 21, from Philip H. Watts of the Policy Planning Staff to other members of the Staff.

Treaty, Japanese Security Treaty, Philippine Mutual Assistance Treaty, and the Australia–New Zealand Security Treaty, with an analysis of the treaties, and presumably the President will in turn want to submit these to the Senate with a request for consent to ratification.

I assume that no effort will be made to secure such consent at the present session of Congress, but it might be wise to get the documentation into the hands of the Senate before the present session adjourns.

In this connection, I would express the hope that every effort be made to preserve the nonpartisan character of this program.

2. Responsibility should now be established for preparing for the hearings before the Senate Foreign Relations Committee, presumably next January, in relation to the four Treaties. There will be considerable debate, and effective and impressive presentation should be prepared.

3. Article III of the Security Treaty between the United States and Japan provides “The conditions which shall govern the disposition of armed forces of the United States of America in and about Japan shall be determined by administrative agreements between the two Governments”.

A draft of the prospective Administrative Agreement was prepared in Tokyo on February 9² under the direction of Assistant Secretary of the Army Earl Johnson and General Carter Magruder and was approved by the Japanese Government. However, this was not found satisfactory by the Pentagon and after more than six months of study a revised form of agreement,³ without annexes, was submitted to the State Department through Deputy Secretary of Defense Lovett. This is, in essential respects, unsatisfactory to the State Department, and the annex which is supposed to list the Japanese facilities desired has not yet been submitted to us. So far as we are aware the Japanese authorities have not been consulted at all.

The completion of this administrative agreement is a major task which involves, first of all, reconciliation between the State and Defense Departments and then negotiation with the Japanese. It should receive very prompt attention, so that it can be concluded before ratification.

4. The draft of the Administrative Agreement referred to above discloses a disposition on the part of the Armed Services to continue to treat the Japanese as defeated enemies and as orientals having qualities inferior to those of the occidentals. To change this point of view will be a major task of education and it should be begun at once. Discussion on this point was had at San Francisco between Mr. Rusk, Mr. Allison, Mr. Sebald and myself, and Assistant Secretary Johnson,

² See enclosure to Dulles letter of February 10, p. 875.

³ See the note from Lovett to Acheson, August 22, p. 1281.

General Magruder and Mr. Nash. It was recognized that the problem was difficult and should be affirmatively dealt with, and it was suggested that Secretary Marshall should be asked to set up a group which would assume the responsibility for positive educational action. This needs to be followed up.

5. The Treaty of Peace provides that the United States may propose a United Nations Trusteeship of the Ryukyu, Bonin and other islands and that, pending administrative action in this respect, the United States will have the right (but not the obligation) to exercise all and any powers of administration, etc., over the territory and inhabitants.

The inhabitants of the Ryukyu Islands numbered nearly a million, and there exist between them and the inhabitants of the Japanese Home Island strong ties, of a sentimental, economic and political character. These cannot be ignored without creating a permanent state of dissatisfaction, both among the islanders and in Japan Proper. On the other hand, it is essential that the United States should have what was referred to in the September 8, 1950 Presidential Directive as "exclusive strategic control".

The policy to be pursued and the arrangements to effectuate that policy should be given prompt consideration. Congressional Committees are apprised of the problem, and it has been suggested that the President might designate a Commission which would include members of the Senate and House Subcommittees on Far Eastern Affairs, with perhaps a non-governmental chairman, to go to Japan and the Ryukyus after Congress adjourns for the purpose of studying the situation and making recommendations as to what should be done. Prompt action should be taken with reference to this matter, as it is a present source of agitation and communist propaganda.

6. Presumably, the United States, with Canada, will now proceed to negotiate the proposed Tripartite Fishing Treaty⁴ with the Japanese. The Department has taken the view that this Treaty can be negotiated and initialed now, without awaiting the coming into force of the Peace Treaty, but that the Fishing Treaty would not be formally signed until after the Peace Treaty comes into force. The United States negotiating group should be set up and given appropriate instructions.

7. The impending shift from the authority of SCAP to diplomatic relations between the United States and Japan calls for preparation. The first United States Ambassador should be selected sufficiently in advance for him to become thoroughly familiar with the many

⁴ See the editorial note, p. 1390.

difficult problems which will be pending. Presumably, Mr. Allison will be proceeding to Tokyo in a few weeks to assume his status there as Minister. Presumably, also, Mr. Sebald will be staying on as Political Adviser to SCAP. The relationship between them should be defined.

8. Japan will be pressed to negotiate a series of treaties relating to fisheries, reparation, etc., with various Allied Powers. Also, Italy, Korea, Portugal, etc., will want to negotiate agreements with Japan. In relation to many of these matters, the United States has assumed, either expressly or impliedly, a "good offices" relationship. Consideration should be given to where and how the United States will discharge its moral responsibilities in these matters. In certain cases, e.g., Italy, our "good offices" relationship is shared with the United Kingdom and France.

9. The attitude which Senators will take toward ratification of the Japanese Peace Treaty will to a considerable extent depend upon the attitude which may in the interval have been taken by the Japanese Government toward China. We assume that the Japanese Government can now publicly make clear its known unwillingness to deal with the Chinese Communists. We have told the Chinese Nationalist Government that we could not promote a bilateral treaty with Japan until after the Japanese Peace Treaty was signed and that it could not come into force until after the multilateral treaty came into force. We must be circumspect not to violate our understandings with the British. In this connection I have prepared and given to Mr. Merchant a Memorandum of Conversation⁵ which I had with Foreign Minister Morrison on the plane returning from San Francisco. In my opinion some reasonable relationship can properly be established, or at least the onus of rejecting a reasonable arrangement should be placed upon the Chinese Nationalist Government.

JOHN FOSTER DULLES

⁵ Of September 9, p. 1343.

Editorial Note

On September 13, 1951, a statement signed by 56 members of the United States Senate was presented to President Truman. The Senators stated in part that they opposed recognition of Communist China by Japan and that they would regard with disapproval any bilateral treaty between those two countries. Full text of this statement is printed in the *New York Times*, September 14, 1951.

693.94/9-1451 : Telegram

*The Secretary of State to the Embassy in the Republic of China*¹

SECRET

WASHINGTON, September 14, 1951—5 p. m.

240. Dept believes its 220, Sep 7,² will have clarified doubt raised 2d para ur 333,³ Sep 7, re feasibility omitting provision as to scope application bilat treaty.

Dept considers there may be some misunderstanding re its views concerning ltd nature bilat treaty negotiated with Jap prior coming into force of multilat treaty. Dulles-Morrison agreement re Chi non-participation San Francisco Conference wld in our opinion prevent US Govt encouraging Jap negot unrestricted agreement with Chi Nats while Occupation continues with consequent possibility charge that US pressure under Occupation regime had caused Japan's action. In fact, US wld have to discourage such action. Hence if Nat Govt desires negot bilat with Jap prior going into force of multilat there must be some formula which will make clear realities existing situation.

However, upon coming into force of multilat and consequent resumption by Jap of full sovereignty question US pressure will not arise and Jap will be free, under Art 26 of Treaty, negot unrestricted treaty with Nats if it so desires. Present indications are that Jap Govt will so desire and after coming into force of multilat US Govt wld have no hesitation making known to Jap its support such action. Dept had assumed one of main motives Chi desire for early conclusion bilat with Jap was prestige and now that multilat has been signed without Chi participation Dept believes this factor shld not weigh so heavily. Wld seem early estab Jap Overseas Agency Taipei, which we are urging, together with arrival Kawada and perhaps other similar individuals, wld make clear Jap intention carry on relations with Nat Govt. Events next few months, prior coming into force of multilat, may make possible Chi and Jap begin negots looking toward conclusion unrestricted bilat after coming into force of multilat although this, of course, cannot be guaranteed. Might be in interest Chi Nats postpone for time being further consideration bilat and concentrate upon estab *de facto* relationships such as those implicit in opening of Jap Overseas Agency. As result San Francisco Conference,

¹ Telegram drafted September 13 by Mr. Allison and cleared by Mr. Merchant, Mr. Perkins, and Robert J. G. McClurkin, Deputy Director of the Office of Northeast Asian Affairs.

² See footnote 4, p. 1333.

³ This paragraph reads: "Since Japs have not raised query scope of application bilateral treaty I suggest we endeavor omit such provision if possible. It seems almost certain to create serious and many-sided difficulties in Chi-Jap discussions and will render projected bilateral treaty impossible." (693.94/9-751) This telegram had been repeated by the Department on the 7th to Mr. Dulles in San Francisco.

Dept anticipates at early date bilat negots will open between various of the signatories and Jap concerning agreements under Articles 9, 12 and 14 of Treaty, and may be that knowledge such negots, together with possible negots between India and Jap, will facilitate negots between Nats and Jap.

However, shld Nat Govt wish proceed more directly at early date with negots with Jap, US must make clear it can only give encouragement if assured willingness Nat Govt accept formula which in our judgment adequately reflected present realities. In this connection Dept believes formulae given ur 298, Aug 30,⁴ generally reasonable, although utmost care will need be exercised in phraseology. FYI word "terms" shld not be employed in way to imply Formosa is for purposes of Treaty already legal Dept China. Such action wld make difficult any possible future UN action; also it is not believed to be matter to be determined only by bilat Sino-Jap arrangement.⁵

ACHESON

⁴ *Ante*, p. 1311.

⁵ In telegram 385 from Taipei, September 18, Mr. Rankin replied in part: "While desirous 'discussing' bilateral treaty with Ohta soonest Chi Govt does not wish 'negotiate' except with US and on basis bilateral text to fol closely that of multilateral. Other conditions wld be Japanese to accept formula for scope application agreed to between US and Chi Govt provided formula not to be integral part of treaty and latter to take effect same time as multilateral. All this assuming early bilateral treaty desired by Chinese can be put thru (last para mytel 222 Aug 15)." (693.94/9-1851)

Mr. Ohta was then slated to be the head of the Japanese Overseas Agency (established November 17) in the Republic of China. For the mentioned portion of telegram 222, see footnote 3, p. 1279.

Regarding telegram 385, the Department stated in part: "The choice must be made by Chi [between the alternatives outlined in telegram 240 above]. Which ever choice Chi make, US willing assist under conditions and in ways outlined previous tels but Dept at loss understand basis for Chi Natls attitude merely to 'discuss' bilat with Japs but to 'negot only' with US." (Telegram 257 to Taipei, September 25, drafted by Mr. Merchant and Mr. Stuart and cleared by, among others, Mr. Allison; 693.94/9-2551)

894.501/9-1951

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Lovett)*¹

TOP SECRET

WASHINGTON, 14 September 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Release of Heavy Armament to the Japanese National Police Reserve

1. In connection with establishing the "Special Far East Command Reserve" for the Japanese National Police Reserve (JNPR)

¹ President Truman had appointed Mr. Lovett to succeed Secretary Marshall, who resigned September 1.

the Secretary of Defense, in a letter to the Secretary of State dated 20 April 1951,² agreed that heavy armament should not be released to the Japanese "without specific prior agreement by the Department of State or approval at the highest Governmental level." The Department of State subsequently agreed orally to define "heavy armament" as "tanks, all types; artillery, all types; recoilless rifles; mortars larger than 81mm; rockets larger than 3.5 inch; and similar heavy weapons." A sufficient supply of 105mm and 155mm howitzers for the four-division force has already been shipped to Japan. The major portion of the tank requirements for this force cleared United States ports by 1 September, and the balance of the tank requirements will be ready for shipment by 15 October. Other needed items of heavy armament will be sent to Japan as rapidly as they become available.

2. General Ridgway has recently (a) re-emphasized the seriousness of the threat to the security of Japan now posed by Soviet capabilities in the Far East, and (b) recommended reconsideration of a decision by the Joint Chiefs of Staff that at this time no major additional United States units would be made available for shipment to Japan. Increased tensions in the Far East resulting from the signing of a peace treaty with Japan without participation by the USSR and Communist China indicate the desirability of prompt action to increase the security of Japan.

3. Since no additional United States forces can be made available for shipment to Japan without the acceptance of unwarranted risks in other vital areas, the Joint Chiefs of Staff consider that it has become urgent to develop the full combat capability of the JNPR as rapidly as possible by removing the present restrictions on release of heavy armament to this force. Accordingly, the Joint Chiefs of Staff recommend that you request the Secretary of State to concur in release of heavy armament to the JNPR at General Ridgway's discretion.³

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

Chairman

Joint Chiefs of Staff

² *Ante*, p. 1001.

³ Secretary Lovett submitted this recommendation to the Department of State under cover of his letter of September 19, not printed, in which he in part stated his concurrence with the views of the Joint Chiefs (894.501/9-1951).

665.94/9-1751 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET

Tokyo, September 17, 1951—6 p .m.

Topad 571. Re Deptel 405,¹ Sept 7, rptd Paris 1454, London 1398, Rome 1136. Despite continuing efforts reconcile basic divergence of views, conversations between Ital mission and Jap Govt re formula for termination state of war and settlement claims still inconclusive. Main point of difference arises from Ital insistence on Jap commitment to settle with Italy on basis principles San Francisco treaty, and strong Jap reluctance to give such commitment.² Jap Govt now has under consideration compromise formula providing for exchange of notes embodying *inter alia* mutual undertaking settle outstanding questions "in spirit of reconciliation and trust which inspired" San Francisco treaty, to be accompanied by confidential exchange of ltrs defining above-quoted phrase as meaning "on basis equitable adaptation of those principles set forth in that treaty which may be pertinent in light of special circumstances existing between 2 govts".

If Jap Govt approves foregoing, which by no means certain, Ital dipl rep plans urge his govt accept this formula as representing maximum concession which can be obtained from Jap Govt.³

Dept pass London, Paris, Rome. Sent Dept, rptd info London unn, Paris unn, Rome unn.

SEBALD

¹ Not printed. (694.001/9-551)

² In telegram 377 of September 1 the Department had included an English translation of an exchange of notes as proposed by Italy. The draft had provided for an end to the state of war between the two countries, for a statement by both powers of intention to conclude an agreement regarding questions between them on the basis of principles contained in the multilateral treaty of peace, and for a declaration by Japan of its willingness to compensate, in such measure as would be later agreed upon, the damage and losses caused to Italy and its nationals in Japan as result of measures taken by Japan after September 8, 1943, the date of Allied armistice with Italy. Italy had proposed that the exchange of notes take place on the date of signature of the multilateral treaty, to take effect when the latter should come into force. (694.001/9-151)

³ In reply the Department stated in telegram 480 to Tokyo, September 21, that it had no objection to the formula proposed in telegram 571 but that it believed Italy would insist on the principles expressed in the Department's telegram 377 of March 1 (see footnote 2 above). If such were the case, the Mission was to inform the Japanese Foreign Office that the United States believed an exchange of notes along the general lines stated in telegram 377 would be an equitable solution. (665.94/9-2151)

However, in telegram 630 from Tokyo, September 25, the Mission reported that Japan and Italy had reached agreement based on the formula proposed in telegram 571 (665.94/9-2551). In despatch 505 of September 29 the Mission enclosed English texts (not printed) of the two sets of notes exchanged by Japan and Italy on the 27th. The Mission commented in part:

Footnote continued on following page.

694.001/9-1751

*Memorandum Prepared in the Department of State*¹

SECRET

[WASHINGTON,] September 17, 1951.

RATIFICATION OF THE JAPANESE PEACE TREATY

Four factors argue against immediate ratification of the peace treaty with Japan at this session of Congress:

1. The Department of Defense fears that there will be difficulties in connection with using Japan as the base for operations in Korea once Japan becomes a sovereign nation instead of an occupied power.

2. The Administrative Agreement which is to implement the bilateral security agreement with Japan must include certain rights for the United States forces in Japan and adequate financial arrangements between Japan and the United States for the support of those forces. The Department of Defense believes that much of our bargaining position will be lost and that it will be more difficult to get a satisfactory arrangement if the peace treaty has already been ratified.

3. It is expected that the joint resolution recommending the termination of war with Germany will soon pass the Senate and be sent to the President.² As soon thereafter as the state of war with Japan is ended, the emergency powers of the President which rest upon the existence of a state of war will vanish. Some 50 to 75 laws are affected. This is another problem which particularly concerns the Department of Defense.

4. In view of the various comments about the steamrolling tactics of the United States in getting the treaty signed, it may be desirable to let some of the other nations which have signed the treaty ratify it before the United States does.

The foregoing factors are not suitable for public presentation. There are, however, certain rationalizations which could be used to explain that we will move as rapidly as possible toward ratification but that

Footnote continued from preceding page.

"The negotiations leading up to this exchange of communications were complicated not only by the widely divergent points of view initially held by the Italian and Japanese Governments as to the principles which should govern such a settlement, but also by the marked animus which these negotiations revealed on the part of the Japanese toward what they appeared to regard as the unfriendly efforts of Italy to "cash in" on the defeat of its erstwhile Axis partner and comrade-in-arms.

"Agreement was finally achieved with the assistance of a formula put forward by this Mission in an effort to provide a mutually acceptable compromise, on the basis of which formula the enclosed final texts were negotiated." (665.94/9-2951)

¹ A typed marginal note reads: "Noted by Acting Secretary—See Memo of Conv. w/Pres. on 9/17/11. eal." For the text of the document mentioned, see *infra*.

² For the Joint Resolution which passed the Congress October 19, see 65 Stat. 451. For the President's Proclamation terminating the state of war between the United States and Germany, October 24, see 66 Stat. c3.

it is unlikely that it will be feasible to secure the action at this session of Congress:

1. Japan will not take action to ratify the treaty until a special session of the Diet which is scheduled to meet in October. It seems more appropriate that the Japanese should act first to accept the treaty before the nations which were at war with Japan take their action.

2. The Japanese peace treaty is a highly important matter which should not be rushed through the Senate. Adequate time should be allowed for hearings, so that those interested in various aspects of the treaty can have the opportunity to make their views known. It is not possible to do this at this session of Congress.

3. We want to have the treaty ratified as early as is consistent with the orderly working out of the problems connected with the group of four related treaties.

Various possibilities have been suggested for demonstrating the will to move ahead without actually having the Senate take final action at this session. One possibility would be to have hearings held by the Senate Foreign Relations Committee (or a subcommittee) during recess. Another might be to bring the Senate or the Foreign Relations Committee back a few days earlier in January to take up the peace treaty. A third might be a simple announcement that the peace treaty will be made the first order of business by the Senate in January.

694.001/9-1751

Memorandum of Conversation, by the Acting Secretary of State

SECRET

[WASHINGTON,] September 17, 1951.

MEMORANDUM OF CONVERSATION BETWEEN THE PRESIDENT AND
ACTING SECRETARY WEBB SEPTEMBER 17

Item 3. Japanese Peace Treaty Ratification

I explained to the President the various factors affecting the ratification of the Japanese Peace Treaty,¹ and he agreed that it should be all right for us to try to work out the arrangements of a sub-committee to consider the matter, and hope for ratification in early January. However, the President was unwilling to modify his publicly-stated position that he hoped for early ratification, and stated he wanted us to get the papers together and arrange for him to submit the treaty to the Senate promptly.

¹ See *supra*.

Note: This creates considerable difficulty as the majority leaders and other members of the Senate are extremely irritated at what they regard as an effort to put them in an unfair position.² They feel that if the President and the Executive Branch do not wish immediate ratification, the treaty should not be submitted at this time. They also feel that if we are not anxious for immediate ratification, the President should not publicly state that he will submit the treaty promptly and hope for prompt ratification. In my opinion, this matter requires the most careful handling both at the White House and at the Senate.

JAMES E. WEBB

²In a memorandum of a telephone conversation held September 19 with Senator Theodore Francis Green of Rhode Island, a member of the Foreign Relations Committee, William C. Sherman of the Office of Northeast Asian Affairs stated in part: "The Senator indicated that he found it impossible to determine just what the desires of the Department of State were with regard to ratification of the treaty and added that he felt that they were trying to blame the Senate for the delay. . . . He said that though he, for one, would work as hard as he could to get the treaty passed if it were presented, he would not stand for any attempt to make the Senate appear responsible for delays which were really the fault of the Department of State. He added that this was the view held by most of his colleagues although the 'majority leaders might not have expressed themselves so strongly'." (694.001/9-1951)

694.001/9-2151

*Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Acting Secretary of State*¹

SECRET

[WASHINGTON,] September 21, 1951.

RATIFICATION OF THE JAPANESE PEACE TREATY

FE believes that the best course to follow with respect to the ratification of the Japanese Peace Treaty is to suggest to the President that he transmit the Treaty promptly to the Senate with the recommendation that it be made the first order of business for the Senate at the new session of Congress. This course avoids a number of the difficulties inherent in a situation in which nobody wants to bear the responsibility for delay. Furthermore, if this course is adopted, it would be possible to provide evidences of positive action in the direction of ratification through such means as the commencement of hearings by the Senate Foreign Relations Committee or a subcommittee, and the sending of a commission partly composed of Congressmen to survey the problem presented by the Ryukyus.

¹Memorandum drafted by Mr. Allison and Robert J. G. McClurkin, Deputy Director of the Office of Northeast Asian Affairs.

The question of the nature of the hearings appropriate for the ratification of the Japanese Peace Treaty may depend to some extent upon whether a decision is made to proceed at an early or late date with the ratification of the Treaty. On the whole, it seems unnecessary to have long drawn out hearings with a large number of witnesses.

Mr. Dulles has kept the Senate Foreign Relations Committee fully informed at all stages during the negotiation of the Treaty, and the presence in San Francisco of members of the Far Eastern Subcommittee of the Senate Foreign Relations Committee insures that they are familiar with the principal problems connected with the Treaty. It, therefore, appears sufficient to have Mr. Dulles as the chief witness before the Committee, supported by such representatives as the Department of Defense might wish to designate, and perhaps by one or two prominent, interested persons such as Mr. Dewey.²

In view of the reluctance of the Department of Defense to agree to an early ratification, it is most important that if the decision is made to proceed at once, the Department of Defense representatives be present in order that there may be no possibility of later charges that its point of view had not been fully considered. If early ratification is desired it would seem particularly unwise to attempt to call in outside witnesses, such as educational or religious groups, as this might only provide the inspiration for other interested groups, such as the fishing and shipping industries, who would then feel it incumbent upon them to request an opportunity to testify against certain aspects of the Treaty.

Even if it is decided not to attempt to secure ratification until the beginning of the next session of Congress, it would seem preferable to make all reasonable efforts to keep the hearings down to a minimum. However, such groups as the West Coast fishing industry, the American Federation of Shipping, the National Foreign Trade Council and the Far East-America Council of Commerce and Industry may want to be heard. In addition, many members of the Senate, according to Francis Wilcox³ have expressed the opinion that this is such an important matter that all persons interested should have full opportunity to investigate various aspects of the Treaty and to make statements thereon. Consequently, the President or the Senate may want to utilize this reason as one of the main arguments with the public for delaying ratification until the next session. In that event, if it becomes apparent that a considerable amount of vocal opposition to the Treaty is developing, it may be necessary to reconsider our position

² Thomas E. Dewey.

³ Chief of the Staff of the Senate Foreign Relations Committee.

that our affirmative presentation of the Treaty in the hearings should be kept to the minimum.⁴

⁴In a memorandum summarizing part of the Cabinet meeting held September 21, Mr. Webb stated: "The Vice President [Alben W. Barkley] raised with the President the question of the submission of the Japanese Peace Treaty and made a strong argument for not sending it up to this session of the Congress unless the President wished it ratified in this session. The final conclusion was that the President authorized the Vice President to say to the Senate leadership that he would not submit the Treaty during this session." (694.001/9-2151)

694.001/9-2451

The Chargé in India (Steere) to the Department of State

SECRET

NEW DELHI, September 24, 1951.

No. 708

Subject: How Government of India decided not to attend San Francisco Conference

The Embassy is pleased to report to the Department a résumé of how the Government of India reached its decision not to attend the San Francisco Conference for the signing of the Japanese Peace Treaty. The account comes from a member of the GOI Cabinet through an employee of the Embassy, whose information in the past generally has proved accurate and authentic. His report follows:

The Foreign Affairs Sub-committee of the Indian Cabinet, shortly after receipt of the final Anglo-American draft of the proposed Japanese Peace Treaty, discussed the question of attending the San Francisco Peace Conference. The first two sittings were inconclusive, with the participants arguing for and against attending the conference.

The third meeting reached the decision that India should not go to the conference. It was attended by the Prime Minister, Home Minister Rajagopalachari, Secretary General of External Affairs Bajpai, States and Transport Minister Ayyangar and External Affairs Deputy Secretary K. P. S. Menon,¹ who is in charge of American and European affairs in the ministry.

Throughout the discussions Ayyangar and Rajagopalachari stood out not merely for attending the conference but insisted that India should sign the peace treaty. Bajpai was neutral, in that he stated he would agree with the majority view though personally he favored attending the conference even if India was not going to sign. Menon and the Prime Minister were against attending, not to speak of signing.

K. P. S. Menon enlisted his experience in China to sway the opinion. He said he could better read the Chinese mind than the others, and

¹ Mr. Menon was Secretary of the Ministry.

if India made a friendly gesture toward Red China by refusal to attend because Red China was not being permitted to participate, and because of the Formosa issue, India would build up considerable good will with Peking.

Menon, citing talks with the Burmese Foreign Minister in New Delhi recently, said the whole of South Asia and the Far East would acclaim India if she refused to attend, and though there might be some transitional regret by the Japanese at this attitude, in the long run the Japanese would feel that India was working for their interests.

Rajagopalachari and Ayyangar insisted that India could sign the treaty with a rider of dissent on certain matters. After all, they said, the fate of Formosa could not be decided at San Francisco and it would be "foolish" to rake up this question. They supported Nehru's stand on the Bonins and the Ryukyus but they differed on the stationing of American troops in Japan. They said if Communism was to be checked, defenseless Japan must either be allowed to rearm itself, or alternatively American troops must be allowed to stay there for a "definite stipulated period" and that "America and Japan must be made to put this period at not more than three years."

Both of them agreed that the way America is bringing about the Defense arrangement with Japan was not desirable but it was "absolutely necessary."

Nehru supported Menon, and in the end it was his own decision which had to be agreed to by the other members of the Foreign Affairs Sub-Committee.

Nehru explained that at first he was definitely in favor of attending the conference but then changed his mind because of fear that the presence of the Indian delegation might be utilized by the Russians for their own purposes. He asked: "Tell me, what would be the position of the Indian delegation if a Russian arose and said: 'Look here, our stand is correct; even India is not signing. Why? Because it feels the treaty is hopeless'." Nehru said such embarrassment must be avoided, and since India was not signing, it should not attend the conference.

When the matter went before the Cabinet, it was a divided house. About half the members were lined up on the side of attending the conference, the other half on the other side. About five members even favored signing. They included Labor Minister Jagjivan Ram; Works, Production and Supply Minister Cadgil, Rajagopalachari, Food and Agriculture Minister Munshi and Ayyangar. Defense Minister Baldev Singh and Finance Minister Deshmukh were absolutely neutral.

As a sidelight to the events, Madame Pandit did not know about India's decision not to sign the treaty until she reached New Delhi. She had advocated the signing and was reliably reported as believing India not only was going to the conference but would sign. When she

learned that India was not going to sign, but also was considering going to San Francisco, she discussed the matter with Supreme Court Justice Douglas, who had just returned to Delhi from his mountain climbing expedition, and Douglas agreed with her that India would give the mistaken impression that she was lining up in the Soviet Russian bloc if she attended the conference and did not sign. Madame Pandit's support of this position was reported to have had considerable influence on her brother's decision that India should not attend.

For the Chargé d'affaires, a.i.:

CLARE H. TIMBERLAKE
Chief Public Affairs Officer

Editorial Note

On September 25, 1951, the Secretaries of State and Defense submitted to the National Security Council the First Quarterly Progress Report on NSC 48/5. Several sections of this report deal with United States policy toward Japan. For text, see page 33.

S94.501/9-1951

*The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State*¹

TOP SECRET

[WASHINGTON,] September 25, 1951.

Subject: Heavy Armament for the Japanese National Police Reserve.

The Problem

In his letter of September 19, 1951² the Secretary of Defense requests Department of State concurrence in the release of heavy military equipment to the Japanese National Police Reserve at the discretion of the Commander in Chief, Far East.

This proposal is a renewal of one made last March by the Secretary of Defense and finally resolved by agreement upon recommendations³ sent to the President by the Secretary of Defense on May 1. Essentially, these recommendations provided that heavy military equipment for four divisions would be stockpiled in Japan but not placed in the

¹ Memorandum drafted by Mr. McClurkin. Submitted to the Secretary through Francis E. Meloy, Jr., Assistant to the Director of the Executive Secretariat.

² See footnote 3, p. 1350.

³ For text, see the enclosure to Secretary Marshall's letter of April 20 to Mr. Acheson, p. 1001.

hands of the Japanese without specific prior agreement by the Department of State, or approval at the highest government level. In addition, the Department of the Army was to undertake planning and budgeting to provide equipment of this nature for ten divisions by July 1, 1952.

The argument for now releasing this equipment to the Japanese National Police Reserve rests upon the increased tension in the Far East, the seriousness of the threat to Japanese security posed by Soviet capabilities, and the consequent necessity for increasing as rapidly as possible Japan's ability to contribute to her own defense. The Joint Chiefs of Staff point out that additional United States forces cannot be sent to Japan without accepting unwarranted risks in other vital areas and that it is therefore necessary to develop the full combat capability of the National Police Reserve.

Discussion

There is no question that the security of Japan is of vital importance to United States security interests in the Pacific. There are, however several serious difficulties presented by the action proposed by the Department of Defense:

1. The proposed action violates decisions of the Far Eastern Commission which are international commitments of the United States Government. The FEC decision most directly applicable is FEC 017/21 of February 12, 1948 which specifically limits Japanese civil police agencies to "rifles and pistols and the necessary ammunition for them and other small arms exclusively used by civil police". This decision remains effective until the effective date of the peace treaty.

This difficulty could be avoided by denouncing either the Moscow Agreement,⁴ which created the FEC, or the specific FEC decisions which are relevant. However, we are not likely to be able to secure the support of other FEC members in such action. In addition, the denunciation of an international commitment is a serious step which should be taken only on the basis of an immediately present threat and a clear demonstration that no other course of action is available.

2. One of our most important current objectives is the ratification of the Japanese Peace Treaty. Because several of the Pacific powers which have signed the treaty retain lively fears concerning the Japanese rearmament, the problem of securing ratification in these countries would be made considerably more difficult by the proposed action. Ambassador Spender of Australia⁵ recently emphasized to an officer of the Department that rapid movement in the direction of the rearming of Japan would cause serious political difficulties in Australia and might delay or possibly even prevent Australian ratification of the treaty. Similar representations have been made by New Zealand.

⁴ For text of the Communiqué of the Conference of Foreign Ministers held at Moscow December 16-26, 1945, released December 27, see *Foreign Relations*, 1945, vol. II, pp. 815-824.

⁵ Mr. Percy Spender presented to President Truman his credentials as Ambassador to the United States on June 8.

3. Both Mr. Morrison and Mr. Schuman in the recent discussions here⁶ included a too-rapid rearming of Japan in the list of actions which might inadvertently precipitate a third world war. Whether or not these views are correct, it is certainly true that the proposed action would make it more difficult for us to secure international support for the defense of Japan in the event of a localized Communist attack on Japan.

The weight of the foregoing considerations is such that every effort should be made to find an alternative course of action which will secure the objectives desired by both Departments.

There is another problem involved which goes to the underlying philosophy of our relationship with Japan on security questions. What the Department of Defense proposes amounts to a unilateral determination by the United States of the action which the Japanese should take to contribute to their own defense. The unilateral character of this determination is wrong. If the United States is to be successful in rapidly developing the ability of Japan to contribute to the security of the Pacific, the United States must treat Japan as a partner and not as an occupied power.

Japanese press comment and public statements by various semi-official Japanese sources indicate a growing interest in Japan in the action which Japan should take with respect to its defense forces. However, Prime Minister Yoshida in a press conference upon his return to Tokyo said, "As I have said repeatedly, there will not be rearmament for the time being". The Japanese Foreign Office informally explained to our Mission in Tokyo that they have no doubt that Yoshida plans at the propitious time to undertake effective rearmament. However, he is concerned about building up public opinion in Japan and awaiting further economic recovery before doing more than providing for some strengthening of the National Police Reserve. This would therefore seem to be the right time for the United States to seek to discover official Japanese thinking on the subject of the eventual rearmament of Japan and to engage with the Japanese in joint planning of the steps which must be taken to insure the security of Japan.

Recommendations

I believe that a solution can be found which meets the Department of Defense objective of a rapid increase in Japanese defense capabilities but which does not involve a violation of the relevant FEC decisions. The heavy military equipment can be put in the hands of the United States forces at their bases in Japan, and the members of the

⁶ Reference is to the Conference of the Foreign Ministers of France, the United Kingdom, and the United States held at Washington September 10-14. Documentation on the Conference is scheduled for publication in volume III.

Japanese National Police Reserve can be brought in rotation to these bases to undergo training in its use. Within four to six months the peace treaty should be effective, and the equipment can then be turned over to the Japanese. Although this proposal does not involve a violation of the FEC decisions, it must be discussed first with other governments most concerned, especially in view of the attitudes they have expressed with respect to the rearming of Japan. However, once that discussion has taken place, if no violent objection has arisen, the Department of Defense could proceed at once to authorize General Ridgway to take the proposed action.

This suggestion has been informally discussed with officials of the Department of Defense. In their opinion, while it will not be regarded as completely satisfactory, it will probably be found acceptable.

In addition, I believe that we should use this opportunity to stress to the Department of Defense that our basic approach to the problem of Japanese security involves discussion with the Japanese and joint planning at all stages. We should, therefore, suggest that as soon as possible a high level mission composed of representatives of both the Department of Defense and the Department of State should go to Japan to discuss with the responsible officials of the Japanese Government their plans as to the timing of Japanese rearmament and the size and nature of the forces they contemplate. Since the Administrative Agreement implementing the bilateral security pact must be negotiated with the Japanese in the very near future, that negotiation might offer an excellent opportunity for carrying on such discussions.

Attached is a letter to the Secretary of Defense expressing the points of view and making the suggestions embodied in this memorandum. I recommend that it be signed.⁷

⁷ On September 28 a letter, not printed, embodying both the considerations and the recommendations set forth above was sent to Mr. Lovett over Mr. Webb's signature. In it the paragraph equivalent to the first paragraph under "Recommendations" above reads as follows: "First, the heavy military equipment might be retained in the possession of the United States forces at their own bases in Japan. Personnel from the National Police Reserve could then be brought to those bases in rotation for training in the use of the equipment. In this way we would avoid violation of Far Eastern Commission decisions. We believe that it is essential that this step should be discussed in advance with certain friendly members of the Far Eastern Commission; however, if no serious objections develop, the training program could commence immediately after such discussions have taken place." (894.501/9-1951)

In his reply of November 6 to Mr. Acheson, Mr. Lovett wrote:

"With respect to the letter of 28 September 1951 from the Acting Secretary of State regarding Japanese defense forces, the Joint Chiefs of Staff recommended, on 29 October 1951, and I concur, that you complete as soon as possible the necessary discussions with friendly members of the Far Eastern Commission. This action is recommended in order to permit early initiation of National Police Reserve training with heavy armament in the manner suggested in the letter referred to above.

"The Department of Defense would appreciate being informed as promptly as possible of the results of these discussions." (894.501/11-651)

693.94/9-2751 : Telegram

The Chargé in the Republic of China (Rankin) to the Secretary of State

SECRET

TAIPEI, September 27, 1951—4 p. m.

419. Re Embtel 420, Sept 27.¹ Sept 26 FonMin Yeh handed me fol memo dated 26th :

Ref is made to memo of Min FonAff dated Aug 13, 1951 and to recent conversations between Chi Min for FonAff and US Chargé d'Affaires in Taipei on conclusion of peace by Republic China with Japan, and particularly to communications from State Dept verbally transmitted by the Chargé to the Minister on Aug 23, 1951² in which the Min is given to understand that the US will endeavor to facilitate conclusion of a bilateral peace treaty by Republic Chi with Japan, that treaty may be signed shortly after signing of multilateral Peace Treaty in San Francisco upon understanding that Chi Govt seeks no significant changes in multilateral Peace Treaty and that a formula with regard to scope of application of bilateral Peace Treaty be agreed upon prior to signature of that treaty and that formula should in no way affect present position of Govt of Republic Chi in United Nations and rightful claims it has over mainland of China.

In light of conversations referred to above and considering its position as one of the allies in the war against Japan, it is desire of Chi Govt to have Jap sign with it a bilateral Peace Treaty on substantially same terms as are provided in ultimate Peace Treaty signed in San Francisco Sept 8, 1951 and to have signature of bilateral Peace Treaty take place as soon as possible prior to entry into force of multilateral Peace Treaty.

To this end, Govt of Republic China wish to suggest, as a basis of discussion fol 2 alternative formulae relative to scope of application of bilateral Peace Treaty :

a. At signing of bilateral Peace Treaty, plenipotentiary of Republic Chi will make following statement :

"Present treaty is intended to apply to all territory of Republic China. As regards those areas in such territory which are now under Commie military occupation as a result of aggression of International Communism, Govt of Republic Chi will undertake to enforce treaty in such areas as soon as they are brought under its effective control."

b. Upon exchange of ratifications of bilateral Peace Treaty by Govts of Republic Chi and Japan, following statement will be recorded in agreed minutes :

"Present treaty shall, in respect of Republic Chi, be applicable in all territories which are now, and which may hereafter be, under control of Govt of Republic Chi."

¹ In this telegram the Chargé in part requested the Department's comments on the memorandum transmitted in telegram 419, particularly with regard to the alternative formulae concerning scope of application of the proposed treaty (693.94/9-2751).

² Reference is to the substance of telegram 164 to Taipei, August 21, p. 1279.

In formulating above two formulae, due care has been taken of understanding that they shld in no way affect present position of Govt of Republic of Chi in United Nations and rightful claims it has over mainland of China. Any other formula consistent with this understanding which US Govt may wish to propose will receive prompt attention of Chi Govt.³

RANKIN

³ In telegram 334 to Taipei, October 17, the Department stated: "Inform FonMin second formula contained urtel 419 Sept 27 preferable first formula. However unless you perceive objection obtain FonMin's comment fol alternative formula: 'It is mutually understood that this treaty shall be applicable at any given time with respect to all areas under the actual control of either High Contracting Party'. Inform FonMin in Dept's opinion agreement re scope application treaty wld have to take place time of signature rather than time ratification although unimportant whether agreement contained body treaty or takes form joint announcement or agreed minutes." (693.94/10-1751)

611.94/9-3051

The United States Political Adviser to SCAP (Sebald) to the Planning Adviser of the Bureau of Far Eastern Affairs (Emmerson)

TOP SECRET

Tokyo, September 30, 1951.

OFFICIAL INFORMAL

DEAR JOHN: I regret that time and the rapid movement of events in these past weeks has to a large extent overtaken our reply to your letter of June 16, 1951.¹ Nevertheless, I strongly concur in the desirability of thinking now of our long-range policies toward Japan and the necessity of coordinating these plans here and in Washington. I note that your draft paper¹ dealt chiefly with the security aspects of our policy toward Japan. I suggest that it is as important to plan now our long-term political, economic and cultural objectives toward Japan in order to guarantee the accomplishment of our security objectives. It is not adequate to say that Japan should be aligned with the free world, that we shall assist the development of her armed forces, and that we shall aid the development of Japan's economy and industrial production. Japan is a country, as you know only too well, possessing great industrial capacity, military potential, and political initiative. It looks forward to a role of leadership in the Far East. It has the capacity to make its own decisions, plan its own policies and achieve its own objectives. It also will have its own problems—the solution of many of which may be in direct variance with United States policy objectives. The basic problem is not the mere statement of our security objectives but a determination of *how* we shall retain Japan in the orbit of the free world when, as a sovereign nation, it

¹ Not found in Department of State files.

is determining its own policies and is subject to various types of economic, political and ideological pressures. Our security objectives can only be attained if Japan is convinced that it has a stake in the free world and that it is to its own self-interest to cooperate with the West.

Perhaps it might be helpful for you if I were to note down some of the problems as we envisage them and then suggest possible approaches toward their solution. The following is, of course, premised on the conclusions of NSC 48/5.²

I. POLITICAL

A. PROBLEM

1. The United States, through Ambassador DULLES, has premised its post-treaty policy toward Japan on a "peace of reconciliation". The treaty recognizes the sovereignty of Japan. The Japanese people expect after the treaty to be accorded full equality by the United States. It is to the long-run interest of the United States that Japan be an independent, economically stable, and thus reliable ally rather than a colonial, resentful appendage of the United States. In view of the planning as to the size, location and special facilities of the garrison forces, and the Economic and Scientific Section proposal for continued stringent control of the Japanese economy, it is becoming increasingly evident that the Japanese may be unable to see any major distinction between the occupation and post-occupation garrison force. Should the good faith of the United States be put in question at this stage, it is possible that any post-treaty plans for Japanese participation in the free world might be seriously undermined.

2. It is generally recognized that the Japanese Government is anxious to make not only administrative modifications in the reform program but also substantive changes in the basic reforms, relating to labor, agriculture, and the family system. The return of depurges to positions of importance in Japanese political and economic life will no doubt accelerate this movement. While there is little question that in many instances the reforms went too far, it is also recognized that continuation of such basic democratic concepts as established through the land reform program, civil code, labor laws, etcetera, is a fundamental bulwark against Communism and will thus strengthen Japan as a responsible and reliable partner in the free world.

B. APPROACH

A delicate balance will have to be drawn in United States relations with the Japanese Government between what the United States considers basic and what it considers expendable. In some instances we

² For text of NSC 48/5, May 17, see p. 33.

may need to bend over backwards in limiting for psychological reasons overt evidences of United States control. On the other hand we may have to exert what pressures we possess to fortify those reforms we consider basic. It is my feeling that we should, in particular :

1. Restrict the garrison force in Japan to the minimum number of combat troops required to assure Japan from attack, and keep them away from the urban centers, particularly Tokyo. No dependents should be permitted to accompany the armed forces, thus reducing the housekeeping units, PX's, commissaries, special service hotels and other vestiges of "colonialism". The civilian component of the garrison force should be stringently limited.

2. Restrict the jurisdiction of United States authorities over US personnel in Japan to levels consistent with the NATO pattern.

3. Oppose the establishment of any such organization as the National Procurement Authority envisaged by General MARQUAT. Use the Embassy as the means for exerting influence over the Japanese Government so far as the question of procurement is concerned.

4. Attempt to retain the spirit of the reforms in Japan through the influence of the Embassy and an effective USIE program.

II. ECONOMIC

A. PROBLEM

The basic condition of Japan's willing alignment with the free world will be her ability to achieve a viable economy and satisfactory standard of living as a result of such alignment. With the prospect of an ever-increasing population, Japan will be forced continually to expand its international trade so that it will be able to import food for its people. It is believed that if agricultural production can be increased even by 5 per cent, the necessary food imports can be leveled off at about 20 per cent of Japan's total food requirement. However, in order to pay for these continually rising food imports, exports must be increased, markets found, and a regular supply of raw materials assured. The expansion of Japanese shipping facilities is necessary for the reduction of the cost of this trade to Japan. While Southeast Asia is a potential source of raw materials and export markets, the sterling area will no doubt resist Japanese penetration there. The more natural and economical source of raw materials vital to Japan's export trade—iron ore and coking coal—is on the Chinese mainland. It is specious to argue that dollar exchange obtained through the filling of US procurement orders will enable Japan to purchase these raw materials in the US or South America. The cost of both the raw material and its transportation becomes so great that both internal price levels and export levels become inordinately high. Moreover, these dollars are needed to purchase food. It would appear desirable to take another and more realistic look at the question of Japan's trade with Communist China and come up with a solution that might permit the

importation of iron ore and coking coal in exchange for non-strategic, consumer goods—i.e. “hard” goods in exchange for “soft”.

While Japan's filling of US procurement orders will to some extent meet her dollar needs, Japan's role as a sub-contractual agent of the United States, unless developed in the light of Japan's long-term trade requirements, will prove a merely temporary expedient. The Japanese will be the first to recognize that such an economic arrangement subjects Japan to the political inconsistencies of Congressional appropriations and the economic cycles of American business. Moreover, such economic arrangements may tend to stimulate certain industries in Japan, disrupt others, make for unplanned-for movements of population, and create inflationary tendencies in certain areas of the Japanese economy to the detriment of others.

While Japan's dependence on the US for economic assistance will to a large extent automatically assure her alignment with the free world, it is questionable if the continuation of stringent economic controls over the Japanese economy by the United States, such as that envisaged by General Marquat, would foster the psychological and political support needed for this purpose. While it is recognized that there is a need for close cooperation between the United States and Japanese authorities, it is believed that this can be achieved through less formidable means. An economic arrangement such as that proposed by General Marquat would undermine the “peace of reconciliation” approach. It would also provide ammunition to forces favoring neutrality in the East-West conflict and afford the Communists with an opportunity to attack the United States as “imperialistic”.

B. APPROACH

A study should be undertaken as to how Japan in the long run can achieve economic stability, including:

- (a) a realistic reappraisal of Japanese trade with China;
- (b) development of Japanese shipping;
- (c) potentialities of Southeast Asia for Japan;
- (d) role of United States procurement in the creation of long-term economic stability for Japan.

III. CULTURAL

A. PROBLEM

If the United States adopts the policy of treating Japan as an equal partner in the family of nations on the assumption that Japan's contribution to the free world will be on a voluntary basis, an effective USIE program will be a first prerequisite in order to sell to the Japanese the ideas and programs of the free world.

B. APPROACH

A highly selected USIE staff should be organized which would not only provide information regarding the concepts of the free world to the Japanese press, radio and films, and develop the exchange of persons program, but also would maintain intimate contact with special groups such as labor, women, farm, university students and intellectuals.

IV. MILITARY

A. PROBLEM

It is believed desirable as well as inevitable that for some time to come the United States assume naval and air responsibility for the defense of Japan. Thus decisions as to the establishment of a Japanese navy and air force would be reserved until the United States has had the opportunity to observe the extent of Japanese integration into the free world. However, it is assumed that Japan will establish ground forces and an effective coast guard with the assistance of the United States. Such progressive rearmament of Japan assisted technically and financially by the United States would reduce the impact of military expenditures on the Japanese economy, prevent any rapid resurgence of militarism, and eliminate fear on the part of other governments of Japanese offensive potentialities.

So far as the effect of rearmament on the Japanese people is concerned, there has already become evident a sizable body of opinion which is strongly opposed to it (as well as to the general purposes of the bilateral agreement) and which has given every indication that it will continue this adamant attitude. The Japanese Communists constitute but one small segment of this body of opposition. Much more important in terms of internal political influence is the opposition to rearmament and the bilateral agreement voiced by the Socialist Party and its affiliated labor unions. Somewhat allied with this considerable body of opinion is the liberal intelligentsia and the student element. Many of the Socialist and labor leaders as well as the leaders of the non-Communist liberal intelligentsia as represented by such men as Dr. Nambara of Tokyo University appear to view the problems of Japan's future, especially the security problem, from an overidealistic standpoint. They appear willing to ignore or at least to minimize all the harsher realities of the present-day global situation and seem to believe that somehow Japan can find a comfortable, secure niche outside the hazards of the global East-West struggle. They accordingly appear convinced that any rearmament, even for self-defense, or any military understanding with the United States will only draw Japan into the vortex of a struggle which could otherwise be miraculously avoided.

While this body of opposition to Japan's rearmament and a security agreement with the United States by no means reflects majority opinion and at present does not command sufficient political power to determine governmental policy, this element is articulate and able to exert an immeasurable but real influence on public opinion within as well as outside Japan. With this group we have an important selling job to do.

Aside from this Socialist-labor-intelligentsia element, it is believed that most other Japanese either strongly favor Japan's rearmament and the proposed bilateral agreement or are without very definite opinion on the question. The Democratic Party (the conservative opposition) has already strongly committed itself in favor of rearmament. The Liberal (Government) Party is, of course, committed to the Cabinet's decisions with respect to the bilateral agreement, and has generally indicated an intention to support a rearmament program for defense. It therefore appears that virtually all conservative elements in Japan would today support a rearmament-for-defense program. There also appears to be general acceptance among the most conservative groups of the bilateral security agreement, providing, however, this agreement does not impose too far-reaching extra-territorial limitations on Japan's post-treaty sovereignty.

However, despite theoretical support on the part of large groups of influential Japanese for rearmament, the danger remains that Japan if caught between a semi-colonial attitude on the part of the United States and a failing standard of living may be reluctant to assume its responsibilities in meeting the security needs of the free world and prefer to take its chances in the role of a third or neutral force, possibly oriented toward Nehru's India.

B. APPROACH

1. The United States should support and assist the establishment of Japanese ground forces and the establishment of an armed coast guard.

2. Decisions as to the establishment of a Japanese navy and air force should be reserved.

3. While pre-war Japanese militaristic spirit should not be revived, the United States through its informational program in Japan should impress on the Japanese the need to assist in its own self-defense in cooperation with the free world.

4. Steps should be taken to integrate the three Pacific security arrangements into one unit so that Japan will be able to identify itself as an equal partner with the other countries in the Pacific in the defense of the free world and will as a matter of prestige be willing to assume its responsibilities.

V. ADMINISTRATIVE (ROLE OF THE EMBASSY IN POST-TREATY JAPAN)

A. PROBLEM

Proposals to establish an autonomous military establishment in Japan as a result of the stationing of United States garrison forces here and an independent procurement authority, directly threaten the prestige and influence of the United States Ambassador in Tokyo. The need of the United States to speak through one voice cannot be over-emphasized. United States policy and decisions as to how to deal with the Japanese Government must stem from the Embassy and not from establishments independent of the Embassy. Otherwise the various arms of the United States Government could be played off one against another, policies could be inconsistent and confused, the prestige and influence of the United States reduced to a minimum.

1. The United States Ambassador should be clearly recognized as the senior United States representative and as possessing the primary responsibility for the implementation of United States policy in Japan. While the commander of the garrison forces would possess clearly defined military functions, major problems relating to security matters should be dealt with through the Embassy. A military attaché at the Embassy would be in the position to advise the Ambassador as to the needs of the military establishment.

2. Any and all programs relating to procurement and economic assistance should recognize the primary responsibility of the Ambassador in this field. While special technical staffs may be required within the Embassy to deal with certain of these problems, final authority should lie with the Ambassador.

I trust that you have seen the numerous other communications which we have been sending in on various aspects of our post-treaty policies in Japan, and that this letter will make some additional contribution to your thinking on this subject.

Your thoughts on cultural programs for Japan and a Japanese-American seminar have been passed on to Sax Bradford and Margaret Williams in our public affairs section who will shortly forward to you their comments.

Sincerely yours,

W. J. SEBALD

Editorial Note

Documents in file 694.001 for 1950-1951 indicate that the United States aided the efforts of the Government of Portugal, neutral during World War II, to initiate by means of an exchange of letters with Japan settlement of issues caused by the Japanese occupation of Portuguese Timor during the war.

In telegram 355 to Tokyo, August 29, the Department informed United States Political Adviser in part that it was proceeding at once

to seek Japanese agreement to the exchange of letters "in view our current relations with Port re Azores". (694.001/8-2951) Information on renegotiation of a bilateral military bases agreement with Portugal is scheduled for publication in volume IV.

Although the Japanese Government was prepared to proceed with the exchange of letters by September 8 at latest, the Portuguese Government on October 1 informed the United States that the matter would be held in abeyance.

794.0221/10-251

*Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

SECRET

[WASHINGTON,] October 2, 1951.

Subject: Financial Provisions of United States-Japanese Administrative Agreement.

Background

In February 1951 Mr. Dulles and Prime Minister Yoshida initialed a tentative draft Administrative Agreement² which provided that the Japanese would furnish facilities comparable to those furnished by other friendly sovereign countries where United States maintained forces, which referred in particular to arrangements in the United Kingdom, and which set out certain facilities which had been estimated to represent 20 to 30 percent of the total cost.

A review of the matter by the Department of State led to the recommendation in July 1951 that Japan should agree to furnish facilities and services by categories amounting to approximately 50 percent of total cost, the arrangement to remain in force until renegotiated, but to be renegotiated by reason of changes in such relevant factors as Japan's defense forces, economic conditions in Japan and the United States, and Japan's balance of payments. This recommendation was accepted informally and in its general outline has been the basis of Washington thinking since then.

The draft Administrative Agreement as approved by the JCS and submitted to the Department³ is consistent with the proposal of the

¹ Memorandum drafted by Noel Hemmendinger, Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs. The original bears the following marginal note: "D[ean] R[usk:] I think this is OK. U. A[lexis] J[ohnson]."

² For text, see Annex IV to the letter of February 10 from Mr. Dulles to Secretary Acheson, p. 876.

³ See footnote 1, p. 1281.

Department of State, except that it omits specific reference to renegotiation by reason of various relevant factors. There are several minor differences, as well.

CINCFE has recommended that the Administrative Agreement not enumerate all the categories of supplies and facilities to be furnished by Japan, but provide for a Japanese contribution of real estate and above that for a stipulated amount of yen, denominated in dollars to avoid exchange rate fluctuation. CINCFE also recommended that, for political and administrative reasons, the Administrative Agreement stand on its own feet and not refer to the partial pay-as-you-go arrangements presently in force.

Recommendations

1. If there is much delay in arriving at a United States position on the entire Administrative Agreement, the financial provisions should be agreed first, and taken up with the Japanese in order that both the Japanese and the Department of the Army may know where they stand in preparing forthcoming budgets.

2. The Administrative Agreement should not refer to the partial pay-as-you-go arrangements presently in force.

3. The Department should support CINCFE's recommendation that the Agreement be in the form of a Japanese undertaking to furnish real estate and related facilities and above that a stipulated amount of yen denominated in dollars.

4. The Department of State should oppose CINCFE's further recommendation that the amount of yen to be furnished by Japan should be reduced annually by an amount equal to the increased cost of Japan's own increased assumption of responsibility for defense. In lieu of this provision, the Department should support its previous recommendation that the amount be renegotiated on the basis of changes in various relevant factors. Comment: This is not necessarily a substantive difference, but it is believed unwise to appear to guarantee Japan any given level of overall defense expenditure. Such an approach is being taken in the case of Germany, but that is because of German participation in well-understood European defense arrangements.

5. The Department should withdraw its previous recommendation that sentences of the Annex to the Agreement referring to the general principles governing the furnishing of facilities and services provided to United States forces by other sovereign countries be omitted, since it is politically desirable that the agreement recognize the principle that the arrangements should be similar, other things being equal, to arrangements with other countries.

6. The provision of the JCS draft that the United States shall have complete freedom of action in using yen credits available to it in the payment of United States debts should be omitted, on the ground that the use to which yen credits which may be available to the United States can be put should be provided in the arrangements under which such yen credits are generated.

7. The Department should not object to the provision in the JCS draft referring to accounting arrangements.

8. (Inclusion in the Administrative Agreement of a provision establishing the right of United States to maintain military banking facilities as recommended by CINCFE. Recommendation awaiting OFD and Treasury views.)

Dulles Papers

*Memorandum of Conversation, by the Consultant to the Secretary
(Dulles)*

[WASHINGTON,] October 3, 1951.

Participants: President Truman
John Foster Dulles

I called on the President at his request at 12:30 p. m., October 3. The President stated that he wanted personally to offer me the Ambassadorship to Japan. He knew that I did not want to take it, but he said he would not be happy if he had not offered it personally as evidence of his appreciation of the very fine results I had achieved in relation to the Japanese Peace Treaty. I told the President I greatly appreciated his attitude and was honored by his proposal, but I preferred not to accept it. I stated that I thought that while the task of the first Ambassador to Japan was one of the most difficult and important that we had, my own particular usefulness might be greater here at home, particularly in relation to helping to keep American public opinion informed with reference to the importance of bipartisan cooperation in foreign policy. I said that there was no point in being at the end of a transmission line if the power house itself was not functioning and perhaps I could be more useful for the time being at the power house rather than at the end of the transmission line. The President said he appreciated my point of view and would not attempt to dissuade me from it. We then discussed other aspects of the Japanese situation, in which connection see my memorandum of even date to Secretary Acheson.¹

¹ *Infra.*

611.94/10-351

*Memorandum by the Consultant to the Secretary (Dulles) to the
Secretary of State*

SECRET

[WASHINGTON,] October 3, 1951.

I talked with the President today along the lines which you and I had previously discussed. In the course of that conversation, I said to the President that there were, of course, many serious problems remaining to be solved in relation to Japan and that unless they were solved right, the situation could turn sour. I said that a particular problem was the relationship between the U.S. security forces which would remain and the Japanese people. It would be very difficult to alter the relationship from that of a victor who ruled the people they had conquered to a relationship of equals. I thought it particularly important that some concrete steps be taken to indicate the changeover of Japan from an occupied country to a sovereign equal. I mentioned to the President that when talking with General MacArthur in Tokyo last February, I had laughingly said to him that he had won many victories, but the greatest victory of all would be if he succeeded in getting the colonels out of the Japanese villas. The President said he was fully aware of the problem that there would be need of a strong civilian in Japan who could stand up to the military and the President said with obvious feeling, "I'll back him up."

Following my talk with the President I had lunch with Secretary Lovett and we talked informally about the situation. I think he appreciates the difficulty of the problem and is sympathetic to our point of view. It is obvious that the threatened intensification of military operations in Korea makes the problem more difficult from a purely military standpoint. I said to Secretary Lovett that I felt the Japanese would understand that, but I did not think that we could make extraordinary demands based upon the possibility that hostilities might involve Japan and at the same time bring in increasing numbers of wives and children and make increasing demands upon the luxury facilities of Japanese hotels, houses, etc.

JOHN FOSTER DULLES

693.94/10-451 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET

TOKYO, October 4, 1951—2 p. m.

Topad 684. In informal conversation with me Sir Esler Denning advocated idea that Japan's best interest lies in refusing estab dipl relations with either Taipei or Peiping regimes, notwithstanding

desirability Japan carry on trade with both govts, which he considers only realistic course for Japan to follow. Recalled Jap withdrawal recognition Czarist Govt, but failure recognize USSR until four years later. Consequently no reason why Japan cld not follow same procedure towards China until situation clarifies. In his opinion re-establishment relations with Taipei wld not be best interest Japan as commitment undoubtedly wld cause later embarrassment, especially as Chi Natl Govt incapable re-establishing hold on mainland.

Dening proposing call on Yoshida within next few days at which time it is safe assumption he will advance above ideas in endeavor influence Jap course of action.¹

SEBALD

¹ In telegram 2204 from London, November 6, the Embassy stated in part:

"At FonOff yesterday Emb officer permitted read series of background papers on FE problems for use by Eden in discussions with Secretary. Salient points as fols:

"Japan: Only question at issue between US and UK in connection with Japan was what Chi Govt. wld sign peace treaty. This problem resolved through compromise last June; however, UK understands there are forces at work which may attempt influence Jap into recognition Formosa rather than CPG. For example, certain Senators may insist US ratification of treaty dependent on Jap commitment recognize Chiang Kai-shek. UK position is Japan's interest wld be best served for present if it recognized neither regime but entered into commercial relations with each. Dening has spoken to Japs along these lines. Dening's efforts obtain assurances from SCAP and USPAd of their neutrality this regard have met with 'evasive' replies." (790.00/11-651)

611.94/10-951: Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

Tokyo, October 9, 1951—noon.

Topad 721. Re Deptel 534, Oct. 3.¹ I recd yesterday from Prime Minister Yoshida ltr dated Oct 7 full text of which as fols:

Begin text: "My dear Ambassador, signing of peace treaty and Japanese-American security pact is source of profound gratification to Japanese people. It is with great expectations that our nation is looking forward to their effectuation.

"It means that Allied occupation of Japan comes to an end and American forces in Japan will remain as security forces in accordance with terms of security pact. All Japanese are counting on visible and substantial changes in their immediate surroundings, which sentiment is quite understandable, they having been placed under occupation in last six years.

"These universal expectations among Japanese must not be ignored by the govts or leaders of either Japan or America. To meet the expectations of Japanese man in street to maximum is to consolidate

¹ Not printed.

foundation for permanent friendship between two countries. And it is, indeed, a prerequisite to achievement of objectives of Japanese-American security pact.

"How then are these Japanese expectations to be met? It is presumed that question is being carefully studied by American auths in Tokyo and Washington. I am addressing this ltr to you believing that a few suggestions may not be out of place, my govt being in position to know sentiments and aspirations of Japanese people in this respect.

"In order to furnish tangible evidence of transformation of occupation forces into security forces, it is suggested that fol measures wld prove most effective:

"(a) To transfer hdqtrs of American forces to an appropriate place outside centers of a large city.

"(b) To release wharf and warehouse facilities at such trading ports as Yokohama and Kobe, which are now under requisition, and to release also business and industrial buildings in urban areas, so as to help Japan achieve economic self support. (Table one² lists those buildings for release of which repeated petitions have been submitted to Japanese Govt auths concerned.)

"(c) To release school buildings now under requisition, so as to alleviate acute housing shortage for public education. (Refer table two.)

"(d) To release hospitals and hotels which are now under requisition, with exception of those absolutely necessary for security forces, it being considered that current extensive and exclusive use will no longer be necessary in future. (Refer tables three and four.)

"(e) To release private residences (over 2,000) now in occupation use, provided that they may be continued to be used by security forces on commercial basis when owners so desire.

"Above-mentioned measures may be under consideration of American Govt. But at this time of transition, I would like to ask you to extend good offices so that American auths wld give favourable and sympathetic consideration to these matters insofar as circumstances may permit. My govt officials concerned will be available at anytime you wish for consultation various matters which will no doubt accrue in implementation of these measures. Yours sincerely, Shigeru Yoshida." *End text.*

Tables referred to above will be delivered to Mission later. I have given General Ridgway copy of this msg.³

SEBALD

² Tables mentioned not printed.

³ In a letter of October 26 to U. Alexis Johnson, Mr. Sebald stated in part that General Ridgway had told him "in rather strong language that in his opinion my Section was guilty of 'poor staff work' in not having first referred Yoshida's letter to him, especially as that letter was at variance with his own policies and that he should have been consulted prior to the letter's being forwarded, if at all, to Washington. What he feared more than anything else was that Washington might crystallize its views along the lines of Yoshida's letter which would 'make it impossible for the U.S. Army to maintain Japanese sovereignty'." (611.94/10-2651)

611.94/10-1251

*Memorandum by the Director of the Office of Northeast Asian Affairs
(Johnson) to the Assistant Secretary of State for Far Eastern
Affairs (Rusk)*

SECRET

[WASHINGTON,] October 12, 1951.

Subject: Administrative Agreement

Yesterday we had a discussion between Mr. McClurkin, Mr. Bond and myself, and Ken Young, General Hamblen ¹ and General Williams concerning the Administrative Agreement. Except for the jurisdictional provision on which the Army is still working in an attempt to arrive at a position closer to our views, we are very close to complete agreement upon the substance of the Administrative Agreement proper. Yesterday we agreed that:

(1) State will redraft the agreement to the extent that it considers necessary in order to put the language into more acceptable form for presentation to the Japanese and eventual public release—NA and L are at work on this.

(2) Because of urgent U.S. and Japanese budgetary considerations, an attempt should immediately be made to arrive at a U.S. Government position upon the financial clauses of the Administrative Agreement in order that consideration can be given to communicating these provisions to the Japanese prior to negotiation with the Japanese of the remainder of the agreement. We are very close to agreement with the Army on this and a meeting has been set up for Monday morning to arrive at agreement on text of this clause.²

It was the consensus of our meeting that the questions requiring high level discussion and decision were:

(1) The whole problem of numbers and location of U.S. forces in Japan (in this regard we suggested that consideration be given to making two lists of facilities to be retained—one for those to be used until hostilities are terminated in Korea; the second, those to be used after the termination of hostilities in Korea and placing of the U.S. garrison in Japan on a normal basis. We also suggested that data be assembled and be available to you and Mr. Nash with regard to the cost that will be involved in various alternative plans, such as locating the headquarters entirely outside of any metropolitan area, movement of port and supply activities from Yokohama to Yokosuka, etc.).

(2) On the assumption that hostilities in Korea will be continuing at the time the treaty comes into effect, what concrete physical moves could be made by the American forces that would unmistakably symbolize to all the change from occupation to garrison status?

¹ Kenneth T. Young, Assistant to the Acting Director of the Office of Foreign Military Affairs in the Office of the Assistant to the Secretary of Defense for International Security Affairs; Brig. Gen. A. L. Hamblen, Special Assistant for Occupied Areas in the Office of the Assistant Secretary of the Army.

² See Mr. McClurkin's memorandum of October 17 to Mr. Rusk, *infra*.

(3) The timing of negotiations with the Japanese of the Administrative Agreement, particularly in relation to the present Diet consideration of the Security Treaty, and the composition of the negotiating delegation.

(4) Dependent upon the outcome of the present working level discussion, it may be necessary that high level consideration be given to the jurisdictional provisions of the agreement.

611.94/10-1751

*The Deputy Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

SECRET

[WASHINGTON,] October 17, 1951.

Subject: Financial Provision of the Administrative Agreement.

Attached is a redraft of the financial provision of the Administrative Agreement.² This redraft resulted from discussions with representatives of the Department of Defense (including the SCAP mission) and the Department of the Treasury. I believe that it will be acceptable to both of those Departments.

This provision has been drafted with a view to public consumption. It recognizes the general principle that Japanese and United States contributions to the support of United States garrison forces may be reexamined from time to time in consideration of the relative burden of expenses borne by each country for all security purposes. More specifically, it provides that certain basic expenses of United States forces such as troop pay and military equipment will be provided by the United States, that Japan will provide real estate and jointly used facilities, and that Japan will provide yen equivalent to \$155,000,000 per year. This amount would be subject to renegotiation as conditions change, although there is no specified limit for the duration of the \$155,000,000 annual payment.

The amount of \$155,000,000 together with real estate rentals which will be undertaken by the Japanese, is in general a continuation of the fifty-fifty division of yen expenses which is in force for the present fiscal year.

I recommend that the attached draft be approved in substance and that, as soon as Defense and Treasury have concurred, authorization be given to communicate it to the Japanese as the United States position.

¹Memorandum drafted by Mr. McClurkin and submitted through U. Alexis Johnson.

²Not printed. It is in substance similar to Article XXIII of the draft Administrative Agreement of December 21, p. 1463.

Dulles Papers

*Memorandum of Conversations, by the Consultant to the Secretary
(Dulles)*

[WASHINGTON,] October 22, 1951.

Subject: Ratification of Treaties

Participants: Secretary Acheson
John Foster Dulles

I first saw Secretary Acheson about 12 noon. I told him that since I had seen him last week I had had the opportunity to talk with Senators Milliken, Wiley, H. Alexander Smith, and Hickenlooper, with reference to the ratification of the Japanese Peace Treaty and related Security Treaties. Without in any way asking their consent, and without getting any commitment from them, I had indicated that I was considering, at the request of the President and the Secretary of State, the suggestion that I should assume responsibility for handling the case for ratification before the Senate, and that they had not indicated that they felt there was any objection to my doing so. I accordingly told the Secretary that I was prepared to assume this responsibility if the President and he wished to delegate this task and corresponding authority to me, but only on two conditions; namely, first, that it was the intention of the President to seek prompt action by the Senate immediately upon its reconvening in January, and second, that the President was aware of the fact that any major action in 1952 would have political significance and there would be efforts on the part of both parties to gain credit or distribute discredit, and no doubt there would be some people around the President who would try to represent me as lacking in loyalty because of the way I would probably handle the case for ratification on behalf of the Executive. I would want the President to anticipate this and be prepared to assume my loyalty in this matter, despite what might be said to him to the contrary.

With reference to the first point, I pointed out that it was quite likely that the Department of Defense would want to postpone ratification in order to preserve the command relationship and to bargain for position under the Security Treaty and Administrative Agreement, but that I considered that there was ample time for Defense to make whatever arrangements were necessary between now and the probable date of the Treaty coming into force after the Senate took it up in January. I would not, I said, be responsible for getting ratification of the Treaties if their consideration by the Senate were deferred, as every day of approach to the Presidential campaign would increase the difficulty of getting the requisite Senate vote.

The Secretary said he would at once discuss this matter with the President and would let me know the President's conclusion. He said he entirely concurred in the position I had expressed.

I then met with the Secretary at 1:30 p. m., he having had an appointment with the President in the meantime. The Secretary told me that the President was in full agreement with my position and accepted it. He said that he knew quite well that the Pentagon would probably seek delays but that he was determined to push the Treaties through to ratification at the earliest possible moment. He also foresaw the political hazards I had mentioned but was determined not to allow rumors or political representations to dislodge his faith that I would loyally and in a non-partisan spirit seek the ratification of the Treaties.

I told the Secretary that in view of the President's and his desire that I should proceed under these conditions, I was prepared to do so.

Lot 53D444 : Secretary's Memoranda of Conversation

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] October 22, 1951.

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

Item 4. Mr. Dulles

I discussed with the President again the suggestion which I had made that we ask Mr. Dulles to take charge of the work of presenting the Pacific treaties to the Senate for ratification, reporting that I had had a talk with Mr. Dulles who had expressed his willingness to undertake this work provided he could be assured that he understood the President's mind on two points.

The first point was the importance of presenting these treaties to the Senate upon its return in January and making them the first order of business. I pointed out that if this were not done, the chances of both having the treaties ratified and of achieving our foreign policy objectives in Japan would be greatly endangered, and that Mr. Dulles could not fairly be asked to undertake the proposed responsibility. The President was very clear indeed that the treaties must be presented at the opening of the new session and recalled that he had been in favor of even earlier action.

The second point was that it was essential that the ratification of the treaties should be, as their negotiation was, a bipartisan matter. Mr. Dulles would approach it in this way. It was quite likely that

partisans on both sides would complain about such handling of the matter and that on our side some people might criticize Mr. Dulles to the President. The President assured me that he wished the matter handled as Mr. Dulles proposed to handle it and that he would support him to the limit in doing so.

D[EAN] A[CHESON]

Lot 54D423

Memorandum by the Consultant to the Secretary (Dulles) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

[WASHINGTON,] October 22, 1951.

In connection with the Administrative Agreement to be made pursuant to the United States-Japanese Security Treaty, I have the following observations to make:

(1) The first declaration of the Japanese Peace Treaty reads:

"The Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and maintain international peace and security."

The task is to implement the Security Treaty in a manner consistent with, and not violative of, that solemn resolve. The Administrative Agreement must in all respects treat Japan as a sovereign equal and put our working relations with the Japanese on such a basis that we shall, thereunder, "cooperate in friendly association".

(2) To achieve security involves, of necessity, some burdensome and irksome conditions. These necessities must be accepted in good spirit by the Japanese, and I am confident that they will be. But "necessities" must be distinguished from mere convenience or prestige or desire to avoid adjustment to the fact that, when the Treaty comes into force, the Japanese will properly expect to be treated as sovereign in their own homeland.

(3) Those who think primarily in legalistic terms, or who feel that their particular duty is to spell out, on paper, United States rights adequate to meet all conceivable contingencies may seek an agreement which will concede us elaborate extraterritorial privileges, command relationships and prestige positions. Such an approach could be self-defeating. As between sovereign nations, legal rights are dependable so long as they are a definition of mutuality of interest and desire. Once they cease to be that, they are undependable. And United States position in Japan becomes, in fact, untenable, and a liability rather than an asset, if the Japanese people preponderantly resent it and want it to end, and if it can only be preserved by a show of force

as against the Japanese. The Administrative Agreement should seek to define the rights and obligations of the parties, so as to avoid future misunderstandings and frictions. But it could do more harm than good if it were drawn so as to create a feeling on the part of United States security forces in Japan that they need not feel dependent on constantly cultivating, and always enjoying, Japanese good will.

(4) It will be peculiarly difficult to carry out our treaty resolve "as sovereign equals, [to] ¹ cooperate in friendly association to . . . maintain international peace and security" because that is a new relationship, very different from that of the "Supreme Command" to which Japan was subject under the Surrender Terms. Also, that new relationship has to be achieved primarily by soldiers, many of whom, as an incident to war and victory, have gotten into the habit of treating the Japanese as inferiors. To alter that attitude will be immensely difficult. It will require a constant effort of will on the part of Americans in command in Japan and those in the ranks. It will require the kind of concern which can be expected only if there is ever-present consciousness of the fact that unless the land, air and sea forces which the United States maintains in and about Japan actually adapt themselves to the new relationship foreseen by the Treaty of Peace, they will have squandered the immensely valuable opportunity which has been gained by victory and peace in the Pacific War.

(5) The matter involves not merely our position in Japan but has broad implications as regards all of Asia. The Chinese Communists, using the old Japanese war slogan of "Asia for the Asiatics", are attempting to rally all of Asia to rise up to eject violently all Western influence. India shows a tendency to move in that direction and in substance India's refusal to sign the Treaty of Peace was based on its Government's belief that it will prove impracticable for the United States to develop under the Security Treaty, the kind of "friendly association" with a defeated nation of alien race, which is pledged by the Peace Treaty. If this Indian belief is verified, and if it is demonstrated to all Asia, which is intently watching, that Westerners as represented by the United States find it congenitally impossible to deal with Orientals on a basis of respect and equality, that will have grave repercussions throughout all of Asia. It will make it likely that all of the Asiatics will unite, under communist leadership, against the West. Then the situation would be more dangerous to us than when Japan attempted this same result under the same slogan.

(6) I have presented the foregoing views in substance to the President, Secretary of State and the Secretary of Defense.

¹ Brackets in the source text.

611.94/10-2451

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Assistant to the Secretary of Defense for International Security Affairs (Nash)

SECRET

[WASHINGTON,] October 24, 1951.

DEAR MR. NASH: With reference to the draft Administrative Agreement between the United States and Japan, the Department of State wishes to put forward certain views bearing on the formulation of those provisions of that Agreement which relate to the exercise of jurisdiction over the personnel of the proposed United States garrison forces.

The Department of State is fully aware of the heavy responsibility which devolves upon the Department of Defense for retaining effective disciplinary control over the personnel attached to United States military forces stationed abroad, while at the same time protecting such personnel from the possible arbitrary or unreasonable exercise of jurisdiction on the part of the authorities of the nations in which such forces are stationed. It is our desire, therefore, to seek arrangements with other nations, including Japan, on such matters which are advantageous to our own national interest.

In the particular case of Japan, the Departments of State and Defense would, we believe, readily agree that our most fundamental policy objective is to associate Japan with us and the free world as a strong, prosperous and willing partner, committed to the broad purposes set forth in the Charter of the United Nations. The future orientation of the Japanese Government and people is a matter of the greatest moment to the United States. Our own future relations with that country will not be regulated merely by formal agreements; to be workable, such agreements must reflect a continuing recognition by our two nations of our mutual interests and our free association in a common cause. It is not to be expected that United States forces could, in peacetime, remain in a country where the government and a preponderant majority of the people resent their presence and desire their withdrawal. It has been repeatedly demonstrated that, unless there is a continuing and genuine agreement by the host government and people, a bare treaty right to station troops in a foreign country is not only an empty right but might become a source of bitter controversy even to the point that the continued presence of the troops becomes a security liability.

In order to do everything possible to avoid such a contingency in Japan, and to obtain the maximum cooperation and genuine agreement of the Japanese to the retention of American forces in Japan as long as considered necessary, the Department of State considers it to be of the greatest importance that arrangements for the stationing of United States forces in Japan in the post-Peace Treaty period be such as not to appear to the Japanese in any way to be a continuation of the Occupation, as to meet insofar as possible Japanese sensitivity regarding their national sovereignty and equality, as to avoid any appearance of an attempted reversion to extraterritoriality, and as to guard against giving the Japanese any basis for belief that our policies are motivated by considerations of racial inequalities.

With the above factors in mind, the Department of State believes that our basic national objective in this matter would best be served by jurisdictional arrangements in the Administrative Agreement with Japan which parallel the analogous provisions of the NATO Agreements and other similar international arrangements to which the United States is a party. This is not based upon any narrow concept of precedent but upon the fact that the Japanese will test the arrangements we seek with Japan by comparing them to arrangements we make with other sovereign and friendly powers with whom we make security agreements. In view of the extreme sensitivity expected of the Japanese in the period immediately ahead, arrangements which are frankly discriminatory against them would sooner or later forfeit the good will and cooperation of the Japanese, without which the effective implementation of our proposed security treaty would be impossible.

In urging that the jurisdiction provisions in the Administrative Agreement with Japan parallel those of the NATO Agreements, the Department of State believes that it might be possible to make certain practical arrangements which, while preserving the principle of equal treatment, might remove possible causes of friction.

It is assumed by the Department of State that the Administrative Agreement would be subject to review at the request of either party; some adjustment can be made as experience under the Agreement indicates the need for it.

The Department of State is ready to enter detailed discussions with the Department of Defense on this problem of jurisdiction as well as on other aspects of our collective security arrangements with Japan.

Sincerely yours,

DEAN RUSK

693.94/10-2551 : Telegram

The Chargé in the Republic of China (Rankin) to the Secretary of State

SECRET

TAIPEI, October 25, 1951—noon.

546. ReDeptel 334, Oct 17.¹ and mytel 526, Oct 20.² FonMin yesterday handed me note referring to various formulas for scope application Sino-Jap treaty and proposing for us consideration fol formula which he believes contains essential features of that suggested by Dept.

"It is mutually understood that the present treaty shall be applicable to all territories which are now and may hereafter be under the actual control of either high contracting party."

Note states Chi Govt attaches "much importance" to excluding formula from text of treaty but is willing have it recorded in agreed minutes at time treaty signed. Note adds hope of early agreement between US and Chi Govt on above so that bilat treaty may be signed before multilat takes effect.

FonMin said he had no info re date arrival Taipei of new Jap agency head.³

Sent Dept 546, rptd info Tokyo 61.

RANKIN

¹ See footnote 3, p. 1363.

² Not printed.

³ The Japanese Overseas Agency in Taiwan opened November 17.

794.5-MSP/8-2751

Memorandum by the Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs (Hemmendinger) to the Deputy Director of That Office (McClurkin)

CONFIDENTIAL

[WASHINGTON,] October 26, 1951.

Subject: Consideration of GARIOA Claim by the National Advisory Council.

I attach a transcript of the meeting of the National Advisory Council of October 24, 1951,¹ in which the German and Jap settlements were discussed. This transcript was supplied confidentially by Treasury with the understanding that it would not be given circulation or be referred to in official communications. The transcript should be read with caution because there appear to be some inaccuracies and failures to catch all that was said.

¹ Not found attached and not printed. A copy is in Lot 60D137.

I attached also a copy of the staff committee's paper² which the Council had before it which presents no recommendation but three alternative possibilities: (a) contingent repayment of a large portion of the debt; (b) funding with substantial scale-down; and (c) agreement on interim payments and deferment of settlement.

In the discussion only the Defense representative supported the third alternative, and when it became clear that none of the other agencies liked it, he virtually withdrew from his original position, recommending only that over the next few months the settlement be made within the context of negotiations on defense and on prewar debts. This was fully accepted.

The State Department representative supported the second alternative. The representatives of ECA and the Federal Reserve Board inclined to think that a workable contingency formula could be developed and were worried about the congressional reaction to a substantial write-down without any possibility of recapturing a greater amount. They inclined to think the initial write-off could be more than 15%. The Commerce representative had no specific suggestion, but, when all was said and done, he thought we would be lucky to realize 25%. The representatives of Ex-imbank thought that the value of the contingency arrangement was political only, and that the write-off should be liberal.

It was decided that there would be no indefinite postponement of negotiation and settlement, that the German negotiators would proceed within the general framework of alternatives A and B, i.e., somewhere between a 75% scale-down with outright funding and a 15% scale-down with outright funding of 20% of the remainder and contingent funding of the balance. The NAC staff was to try to work out an acceptable contingency formula. It was decided that the Japanese settlement would not necessarily have to parallel the German but that the starting point should be the same, with a possibility of an agreement for a larger percentage repayment in the case of Japan.

It was also decided, with reference to the German settlement, that the United States would accept a much smaller write-down of the British and French claims than of the United States claim.

After the meeting, Treasury handed State a paper called "Possible Compromise of State and Treasury Positions"³ which provided for a 40% write-down, the straight funding over 35 years at 2½% of 50% of the remainder and a contingent funding over 10 years of the other 50%. Treasury appeared to feel that reference of the matter to

² NAC Document No. 1205, October 22, not found attached and not printed. A copy is in Lot 60D137.

³ Not found in Department of State files.

the National Advisory Council had served a useful purpose in eliminating the Defense proposals for deferment, and that it would now not be too difficult for State and Treasury to get together on the actual terms.

790.5/10-2951

The Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Assistant to the Secretary of Defense for International Security Affairs (Nash)

CONFIDENTIAL

[WASHINGTON,] October 29, 1951.

DEAR MR. NASH: Perhaps it would be useful to the Department of Defense for me to outline the present views and plans of the Department of State on the procedural and timing aspects of certain questions affecting our future relations with Japan. Since these matters involve important responsibilities of the Department of Defense and of the Joint Chiefs of Staff, your comments would be much appreciated.

A. Ratification by the United States of the Japanese Peace Treaty and the U.S.-Japan Security Treaty

The President has asked Mr. John Foster Dulles to accept responsibility for the presentation to the Senate of the four Treaties signed in connection with the recent San Francisco Conference, namely, the Japanese Peace Treaty, the U.S.-Japan Security Treaty, the U.S.-Philippine Mutual Defense Treaty and the Tripartite Security Treaty with Australia and New Zealand. Mr. Dulles has accepted this responsibility and will call upon the Departments and agencies of the Executive Branch for such assistance as he might need to accomplish his task.

The President has indicated his wish to send these four treaties to the Senate for consideration as a first item of business at the beginning of the next session in January 1952. On this basis, it is estimated that hearings might be concluded and Senate action taken by about March 1, 1952. The Japanese Peace Treaty will come into effect as provided in Article 23 of the Treaty itself. Since it is known that a number of Governments expect to take up the question of their ratification only after both Japan and the United States have ratified, it cannot be accurately forecast as to just when the Japanese Peace Treaty will come into effect. However, this might occur during the month of March 1952, and our own planning should be based upon that possibility. The Department of State understands that there will be consultation between our two Departments as to the timing of the deposit of the United States ratification.

B. Administrative Agreement with Japan pursuant to Article 3 of the U.S.-Japan Security Treaty

The Administrative Agreement with Japan will require the closest collaboration at all stages between the Departments of State and Defense, careful consultation with the key Congressional Committees, and imaginative handling with the Japanese Government and Japanese public opinion. As for timing, it is believed that we should allow the Japanese Diet to complete its ratification of the Peace Treaty and the Security Pact before public steps are taken looking directly to the negotiation of the Administrative Agreement. It is now expected that the Diet will have completed this ratification process by about November 10-15, 1951. On the other hand, the Department of State believes that the Administrative Agreement should be concluded with the Japanese in advance of our own ratification of the Peace Treaty and Security Treaty; it is assumed that the Department of Defense strongly concurs in this desire.¹

In view of the above factors, the Department of State has in mind the following schedule with respect to the Administrative Agreement:

a. Before November 10, 1951: State-Defense identification of the precise issues with respect to the proposed Administrative Agreement requiring resolution, as well as identification of the more important problems concerning the physical arrangements for our forces in Japan in the post-treaty period.

b. Approximately November 10, 1951: Visit to Tokyo by a State-Defense group, headed by myself, to discuss the Administrative Agreement and related arrangements fully with General Ridgway and to have such preliminary discussions with the Japanese as then seems wise.

c. Approximately January 10, 1952: Consultation with the key Congressional Committees on the Administrative Agreement and related arrangements.

d. Approximately January 20, 1952: Negotiation of a final text of the Administrative Agreement and related arrangements with the Japanese Government.

In order to carry out the difficult schedule outlined above, the Department of State will make me available for full time responsibility for the Administrative Agreement preparations and negotiations. It would be greatly appreciated if the Department of Defense would indicate those who will represent it in interdepartmental discussions in Washington and who will be available to accompany and assist me in the negotiating aspects.

¹ In telegram C 53336 to the Department of the Army, October 19, CINCFE had stated in part: "To insure that satisfactory provisions are made for the security troops that are to be stationed in Japan, all arrangements pertaining to the administrative agreement between the U.S. Government and the Japanese Government should be completed prior to effective date of peace treaty." (Lot 60D330)

C. Final Arrangements for the Ryukyus and Other Islands referred to in Article 3 of the Japanese Peace Treaty

Article 3 of the Japanese Peace Treaty clearly envisages further United States action with respect to permanent arrangements for the Ryukyus and other islands named therein. The Department of State believes that it would be a mistake to move so promptly on this matter as to inject the Ryukyus into debates on ratification of the Japanese Peace Treaty either in the United States or in other countries. Further, it would be undesirable to have the Ryukyus come before the present session of the General Assembly. Lastly, it would be undesirable to discuss the Administrative Agreement and the Ryukyus with the Japanese in such a way as to permit the use of one for bargaining on the other.

The Department of State believes that the President should constitute an inter-Departmental Committee, of which a Representative of the President would be Chairman, and on which the Departments of State and Defense would each have a senior Representative. The task of this Committee would be to recommend to the President a precise proposal for carrying out Article 3 of the Japanese Peace Treaty. It would be assumed that, prior to final action by the President on the Committee's proposals, the Departments of State and Defense would have an opportunity to provide the President with their views on the Committee's recommendations. It is also assumed that, in the development of its proposals, the Committee would consult continuously with the Departments concerned.

The Foreign Relations and Armed Services Committees of the Congress will have an important interest in the Ryukyus question and should be fully and frequently consulted by the inter-Departmental Committee. Although it might be desirable to ask Congressional leaders to constitute a specific group for this purpose, it is considered preferable not to take such action now and thereby draw premature attention to work on this matter. On the other hand, it would be highly desirable if representative members of the Congressional Committees referred to could find an opportunity to visit Japan and the Ryukyus before the middle of January 1952 in order to get a first-hand impression of the nature of the problem.²

As for timing, the Department of State believes that the inter-Departmental Committee should be in position to make its final recommendations by about March 15, 1952, to be followed by final

² A memorandum of October 17 by Mr. Battle follows in entirety: "The Secretary spoke to the President this afternoon about the proposed Congressional Commission on the Ryukyus. The President approves the proposal and we may go ahead with it." (Lot 53D444)

consultations with Congressional Committees and such negotiations with the Japanese as might be required.

Sincerely yours,

DEAN RUSK

694.001/10-2351

Memorandum by the Deputy Director of the Office of Chinese Affairs (Perkins) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] October 30, 1951.

Subject: Prospects for Signature of Bilateral Peace Treaty between Japan and Chinese National Government

It was reported in Taipei's No. 526, October 20,¹ that Foreign Minister Yeh, in inquiring urgently whether Prime Minister Yoshida's remarks concerning a Sino-Japanese treaty were correctly quoted in the press, reiterated his opinion that the Japanese intend to do nothing about a treaty with the Chinese National Government in the absence of active U.S. sponsorship.

Several disquieting reports on this subject have been received recently. According to Tokyo's 831, October 23,² Yoshida stated on October 16, in reply to an interpellation: "It is my firm conviction that we shall sooner or later conclude peace treaties with all Asiatic countries except China. In case China, internal unity is yet to be achieved and powers divided in opinion about which two governments to recognize. This is reason why China not invited to conference. For time being we have to wait and see development of things among powers and in China, believing that chance will naturally offer itself to conclude a peace treaty with China". Yoshida stated on October 17, in reply to an interpellation (according to the same Tokyo telegram): "We desire conclude peace treaty with China and Soviet Union respectively at earliest possible date, but since each has own policy while we have adopted anti-Communist policy, I wonder how we can immediately negotiate peace treaty with them. We will wait and watch course events." (Certain newspaper accounts have contained reports of Yoshida's remarks which conflict with this account, which is based on translations prepared by the Diet.)

It will be recalled that certain members of the Foreign Relations Committee of the Japanese Diet, in recent talks with officers of the Department, presented arguments why Japan should not recognize the National Government and indicated that a major element bearing

¹ Not printed (693.949/10-2051).

² Not printed (694.001/10-2351).

upon Japan's decision whether to conclude a treaty with the National Government is its prospects of regaining power on the mainland.³

It is CA's opinion that the early conclusion of a Japanese treaty with the Chinese Government is highly desirable. As CA has pointed out earlier, CA feels that, quite apart from relations between this Government and the Chinese Government, a treaty between the latter and Japan would be a source of friction between Peiping and Tokyo and would tend to prevent an improvement of relations between an independent Japan and Communist China, a *rapprochement* highly dangerous for the United States position in the Far East. In view of the various indications cited above, however, it is CA's opinion that it is not safe to assume that Japan intends to conclude a peace treaty with the Chinese National Government.

Recommendation: It is recommended that the attached draft telegram requesting USPolAd to ask Yoshida directly what Japan's intentions are in regard to the early conclusion of a peace treaty with the Chinese National Government be approved.⁴

³ A memorandum by W. C. Sherman of a talk held between these Diet members and Mr. Stuart in Washington on October 8 is not printed (693.94/10-851).

⁴ In telegram 729 to Tokyo, November 3, not printed, the Department made inquiry along the lines set forth above (693.94/11-351).

Editorial Note

Delegations from Canada, Japan, and the United States met on November 5 in Tokyo to consider proposals for conservation and regulation of North Pacific fisheries.

"The Tripartite Fisheries Conference ended on December 14 with the signing of a final act document by which representatives of Canada, Japan and the United States recommended to their governments approval of a draft Convention and Annex for the conservation of fisheries of the North Pacific Ocean; also recommended was a Protocol relating to salmon fishing in the Bering Sea, which was recognized as a special situation. The Conference lasted for six weeks, during which the original proposal of the United States was generally accepted in principle but was radically modified in organization and wording. The Japanese accepted the principles of conservation proposed by the United States and agreed to abstain from fishing for salmon, halibut and herring in the Northeast Pacific Ocean, but they opposed adoption of a principle whereby any nation might receive preferential treatment in contiguous waters, and they insisted upon insertion in the preamble of a statement to the effect that conservation must be on a free and equal footing. All Delegations seemed satisfied with the results of the Conference despite considerable hard bargaining and occasional tense moments around the conference table. The Japanese press, which had earlier expressed fears that Japanese fishermen would be discriminatorily excluded from certain fisheries, also

seemed satisfied with the results, laying particular emphasis on the principle of freedom and equality. The draft Convention and Protocol now await approval and formal signing by the respective governments, prior to ratification and coming into force." (Despatch 898 from Tokyo, December 20; 794.00/12-2051)

Information on the negotiations is in files 611.946, 611.006 NP, and 794.00 for 1951 and 1952.

The Convention for the high seas fisheries of the North Pacific Ocean, with Annex and Protocol, was signed at Tokyo May 9, 1952. For text, see 4 UST 380.

694.001/11-851 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET

TOKYO, November 7, 1951—4 p. m.

Topad 963. ReDeptel 729, Nov 3¹ rptd info Taipei 374. In lengthy conversation with me yesterday, Iguchi strongly confirmed that notwithstanding Yoshida's recent "indiscreet" remarks in Diet re relations with China, policy of Jap Govt towards China remains in strict conformity with contents ltr dated Aug 6 Yoshida to Dulles (Mistel 278 Aug 7)² and that Japan has no present intention establish relations any kind with Commie China. He stated underlying reason Yoshida's statement was desire minimize UK and Commonwealth reactions to recent announcement opening Overseas Agency Taipei. In this connection Iguchi cited Secy Acheson's remarks to PriMin in San Francisco to effect that Japan wld be well advised to go slow in opening peace talks with Chi Nat Govt³ and, further, Yoshida's desire do everything possible not antagonize UK and Commonwealth Govts prior their ratification peace treaty. Iguchi described Cluttons attitude when announcement regarding Overseas Agency Taipei made as "unhappy" but under further questioning denied Clutton or Dening (who recently called upon Yoshida) had protested or used pressure on Jap Govt re estab of relations with either Chi Nat or Commie Govt.

Iguchi said Nagata of Kimura's⁴ staff proceeding Taipei "next week to find office and living accommodations, Kimura to proceed with rest of staff by end of Nov". In meantime some 50 Jap businessmen, headed by Domen (Pres Ajinomoto Co) proceeding Taipei during Nov to take part in Jap fair to be held there.

¹ See footnote 4, p. 1390.

² See footnote 1, p. 1241.

³ See the memorandum by Mr. Sebald of the Prime Minister's conversation with Mr. Acheson and other officials held September 3, p. 1315.

⁴ Mr. Kimura had been designated head of the Overseas Agency established at Taipei on November 17.

On question timing negots peace treaty with Chi Nat Govt, Iguchi was rather evasive and first said present thinkiug was that negots shld be delayed until peace treaty comes into effect because of effects early negots might have upon other govts which have not yet ratified. Further conversation produced to mission, however, no objection perceived why Kimura shld not become channel for exploration prelim views. One problem raised by Iguchi was that Chi Nat Govt had made no approach. When I asked why Jap Govt shld not make approach, Iguchi referred to Art 25 of treaty which he said Jap Govt construes to mean Chi Nat Govt must take initiative. Careful reading of Art 25 apparently satisfied Iguchi no firm provision made regarding which govt must take initiative. It was apparent Japs waiting for Chi Nat Govt make first approach. Shld such approach be made through Kimura, Iguchi said latter wld necessarily have to ask for instrs which cld be given only after Cabinet approval to proceed with negots.

I told Iguchi in my personal opinion no reason why Kimura or other suitable rep shld not on confidential basis, explore broad issues such as type and nature of treaty. Iguchi agreed and said Kimura will in any event initiate negots leading to settlement respective property questions under Art 4 thus at least making beginuing.

Most pertinent reason for delay on part Jap Govt appears to be impression gathered by Yoshida in San Francisco in consequence his conversation with Secy and Dullés that time is not propitious proceed with negots. I pointed out to Iguchi that I was present at interview and recd distinct impression that Secretary's and Dulles' advice applied only to situation as of Sept 2, a situation which in meantime has changed considerably. In reviewing possibilities ratifications UK and Commonwealth Govts, Iguchi agreed exploratory negots with Chi Nat Govt wld not necessarily affect final results. I also gathered impression from Iguchi's remarks and attitude that Jap Govt wld be receptive to approach by Chi Nat rep whether Tokyo or Taipei. Question of who takes initiative seems to be an important factor in Jap thinking.

Although I did not directly say that US wld consider it desirable that Japan promptly enter into negots for peace treaty with Chi Nat Govt I believe general tenor my conversation cld not but convey to Iguchi impression that such move wld be welcomed by US. In this connection, does Dept desire me go further in encouraging Jap Govt seek negots with Chi Nat Govt or is there any possibility latter cld be advised first approach? ⁵

⁵ In telegram 768 to Tokyo, November 9, the Department stated in part it considered action taken by the Mission sufficient for the time being, pending an effort to secure agreement of the United Kingdom to conclusion of at least a limited peace treaty between Japan and the Republic of China. (693.94/11-951)

Iguchi said he wld report our conversation to PriMin and intimated he would keep in touch with me on this question.

Sent Dept 963, rptd info Taipei 46.

SEBALD

694.001/11-751 : Telegram

The Acting Secretary of State to the Embassy in Paris

SECRET

WASHINGTON, November 7, 1951—5:08 p. m.

Telac 10. For Secretary ¹ from Dulles. As I think you know, John Sparkman, Alex Smith and I plan to be in Japan about mid-Dec ² with view to getting in best possible position to handle Treaty ratifications in Jan-Feb. A major aspect will be probable future relations of Japan with Formosa which has been greatly confused by equivocal statements made by Yoshida in course of Diet debates. Some of his statements will greatly disturb Congress and have bad effect on Treaty ratification. In view of what Yoshida has said feel it indispensable that when in Tokyo three of us should get some indication of Jap intention more reliable than Yoshida's recent public utterances which slant both ways. Without that, Sparkman and Smith will be in a difficult position to handle Treaties in Senate.

It seems to me highly desirable that first effort should be endeavor clear situation with UK, particularly having in mind new Govt ³ may take somewhat different approach than Labor Govt and might not be opposed to Jap Govt making at least limited peace treaty with Nationalist Govt which wld be operative within the *de facto* authority of that Govt, both territorially and as voting member of UN in which and in organs of which Japan seeks membership. Although we have been discussing such limited treatment with Chi Emb and Taipei for many months, we are not yet clear whether Generalissimo ⁴ will accept limited treaty but if Japanese propose it and he refuses, then responsibility will be his.

Our practical suggestion is that Merchant, now on leave, but who thoroughly familiar with entire background, shld promptly go London for discussion with FonOff which might be consummated between Denning and me at Tokyo so that we cld present united front there and avoid conflict which wld be embarrassing and which Japs wld tend to capitalize on for their own purposes. Policy and program here outlined has approval of EUR, FE and Matthews. If you concur, we wld appreciate being promptly advised and also ask you to mention

¹ Mr. Acheson was in Paris from November 2 through 21 for the meetings of the Western Foreign Ministers.

² Mr. Dulles and his companions arrived in Tokyo December 10.

³ A Conservative Cabinet had taken office in the United Kingdom on October 26.

⁴ Generalissimo Chiang Kai-shek, President of the Republic of China.

matter to Eden ⁵ with view to his seeing Merchant in London after Merchant has first approached FonOff officials. Feel importance of trying continue united US-UK front in Japan justifies Eden giving this matter personal attention. We do not however feel you need discuss details with him at this time as probably it wld be better to have first discussion take place with FonOff officials without whose advice we wld not expect Eden to commit himself. [Dulles.]

WEBB.

⁵ Anthony Eden, Secretary of State for Foreign Affairs and Deputy Prime Minister of the United Kingdom.

794.0221/11-851

*Memorandum by the Deputy to the Consultant (Allison) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

TOP SECRET

[WASHINGTON,] November 8, 1951.

Subject: Administrative Agreement with Japan

There are several points about General Ridgway's message ² enclosed with Sebald's letter attached hereto ³ which immediately come to mind. I am sure they will occur to you but I just wanted to put my own comments on the record.

No one can take issue, of course, with paragraph 1(A) of General Ridgway's message stating that until the effective date of the Peace Treaty ultimate sovereignty over the Japanese people resides in SCAP. Nor is there any reason to take issue with sub-paragraph (B) that the Japanese Government must always be presented with a single position on all questions, particularly those in connection with negotiating the Administrative Agreement. However, I am not sure that sub-paragraph (C) follows. General Ridgway states that in the light of (A) and (B) there must be no indication that the Administrative Agreement mission from Washington has any authority beyond that of advising and assisting SCAP. It seems to me that the General has completely misunderstood the purpose of the mission which, as I understand it, is to negotiate an Administrative Agreement which will have authority and go into operation only after SCAP ceases to function. It is certainly a United States Government mission and should speak to the Japanese with only one voice, but I am not at all certain whether SCAP as SCAP should have any part in the matter at all. SCAP is an international entity whereas the Administrative Agreement is to be negotiated between the United States Government only and Japan. Certainly General Ridgway as CINCFE should play

¹ Mr. Rusk did not initial this document and hence may not have seen it. It was, however, initialed by U. Alexis Johnson.

² The message referred to here has not been found in Department of State files.

³ Not found attached. Reference uncertain.

a part in negotiating the Administrative Agreement and his recommendations should receive the utmost consideration. However, this is a matter of long-term political as well as security interest to the United States Government and I firmly believe that General Ridgway should be informed that the mission which comes will have much more power than that of merely "advising and assisting SCAP". Certainly the mission should work in closest cooperation with General Ridgway and presumably he should make the arrangements with the Japanese Government for any talks which the mission desires to make. But I would think that whatever agreement is negotiated and signed should not be negotiated and signed by SCAP but by duly appointed representatives of the United States Government alone. General Ridgway as CINCFE might well be one of these representatives.

You will note that paragraph 4(A) of General Ridgway's message makes the categorical statement that "it is imperative to the mission of U.S. forces remaining in Japan that the U.S. Government should retain exclusive criminal jurisdiction over its personnel, including U.S. civilian employees and dependents, of the U.S. armed forces". This of course goes to the heart of our problem and it is a little discouraging to see General Ridgway take this extreme position.

I am becoming more and more convinced in light of information from Tokyo such as that contained in this letter of Sebald's as well as his letter of October 29⁴ that serious consideration must be given to obtaining a White House directive which will place the whole matter in the proper focus. As you know, the President told Mr. Dulles that he was generally in sympathy with our approach to the problem of American troops in Japan after the Peace Treaty, and unless I am much mistaken we will have to call on the President eventually and it might be better to do it now.

⁴ Not printed.

894.501/11-651

*Memorandum by the Deputy Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)*¹

TOP SECRET

[WASHINGTON,] November 8, 1951.

Subject: Proposed discussions with certain friendly FEC countries concerning the security of Japan

[Here follows a background résumé regarding the proposed discussions.]

¹ Memorandum and attachment drafted by Douglas W. Overton of the Office of Northeast Asian Affairs. Submitted to Mr. Rusk through U. Alexis Johnson.

NA believes that the discussions should be undertaken immediately, and recommends that the representatives of the United Kingdom, Australia, New Zealand, Canada, France and the Philippines be called in within the next several days and informed in confidence of United States plans for strengthening the security of Japan. There is attached hereto a memorandum (attachment 4²) setting forth a suggested outline to be followed in presenting the United States position to these representatives.

[Attachment]

It is suggested that the proposed training of the Japanese National Police Reserve in the use of heavy military equipment and the proposed establishment of a Japanese-manned coastal security force be discussed in confidence with the representatives of the United Kingdom, Australia, New Zealand, Canada, France and the Philippines along the following lines:

1. General Ridgway and the Joint Chiefs of Staff have recently emphasized the seriousness of the threat to the security of Japan resulting from increased tensions in the Far East because of non-participation of the USSR and Communist China in the Japanese peace settlement. Clearly the possibility of armed aggression can not be completely ruled out. The Joint Chiefs have pointed out that one step which would add significantly to the ability of the Japanese to contribute to their own defense in event of an emergency would be to begin immediately to train the Japanese National Police Reserve in the use of such heavy military equipment as tanks, artillery, mortars and rockets. They have also urged that there be immediately established a Japanese-manned coastal security force which will be adequately armed to prevent the infiltration of Communist agents, reduce smuggling, and exercise proper surveillance over Japanese fishing vessels in the waters contiguous to the Japanese islands.

2. So far as the establishment of a coastal security force is concerned, the United States Government believes that the equipping of such a force with normal coast guard type weapons would not constitute a violation of the spirit of FEC 017/21 of February 12, 1948, which while it made reasonably adequate provision for arming the land police, completely overlooked the legitimate and normal needs of the maritime police, who need armament suitable for use on the water. While the United States Government believes that it is within the executive authority of SCAP to remedy this oversight by equipping the present Japanese Maritime Safety Patrol with coast guard type weapons, it is recognized that a number of FEC countries would prefer that a strictly Japanese agency operating as an integral part of the Japanese Government not be given at this time any armament heavier than that specifically authorized by the FEC.

3. The United States Government recognizes that the equipping of the National Police Reserve with heavy armament would constitute a violation of FEC policy decisions, in particular FEC 017/21, which

² Other attachments not printed.

specifically limits the Japanese police to "rifles and pistols and the necessary ammunition for them and other small arms exclusively used by civil police."

4. Thus, it is readily apparent that SCAP is faced with the problem of choosing a careful course of action which on the one hand will provide for the security of Japan and which on the other hand will be in consonance with FEC decisions which technically remain in force until the Peace Treaty comes into effect and which the United States Government regards as international commitments.

5. Accordingly, SCAP, with the full approval of the United States Government, plans to take the following action as soon as possible:

a. While no heavy military equipment will be delivered to the Japanese, provision will be made for National Police Reserve personnel to be brought to American bases in Japan on a rotation basis for training in the use of such equipment under direct American supervision and control. This procedure would not constitute a violation of existing FEC policy decisions; however, it would afford the Japanese a minimum of training for self-defense and gain valuable time in preparing for adequate defense of Japan.

b. SCAP will establish a Japanese-manned coastal security force, organized and equipped along normal coast guard lines, composed of vessels with appropriate armament and speed, and under SCAP operational control, to be operated in waters contiguous to the Japanese islands. Such a force will be utilized purely for regular coast guard purposes, and the vessels or flotillas will operate under the direct control of American officers and not the Japanese. It will not be of such a character as to provide any valid basis for an assumption that it is the nucleus of a Japanese Navy.

6. The United States Government hopes that the _____ Government will agree that the foregoing steps represent a constructive approach to the dilemma presented by the necessity of ensuring Japan's security on the one hand and abiding by international commitments on the other. It is not believed likely that at this juncture the matter will be brought up in the FEC; however, in the event that any question should be raised, the United States Government would appreciate the support of the _____ Government.

694.001/11-1351

*Memorandum by Mr. Douglas W. Overton of the Office of Northeast Asian Affairs to the United States Representative on the Far Eastern Commission (Hamilton)*¹

SECRET

[WASHINGTON,] November 13, 1951.

Subject: Ratification of the Japanese Peace Treaty

Responses have been received from all countries listed in Article 23 who were asked when ratification of the treaty could be expected. They can be tabulated as follows:

¹ Mr. Hamilton was also Chairman of the Commission.

1. Those who will not initiate action until after Japanese ratification:

Australia
Canada
New Zealand

2. Those who wish to ratify coincident with or following United States ratification:

Australia
The Netherlands
New Zealand
Pakistan

3. Those whose ratifications are not contingent upon above factors, and date they expect to ratify:

Ceylon—soon after November 20.
France—late November.
Indonesia—uncertain—see country comment below.
Philippines—February 1952
United Kingdom—before Christmas.
Japan—not later than November 15.

The replies can also be summarized by country as follows:

Australia

Bill for Parliamentary consent will be prepared when it is known what United States and Japanese timetables for ratification are. Will not ratify *before* Japanese action and would wish its action to coincide with United States. (Canberra's 199, September 23, Secret.²)

Canada

Expect as little delay as possible but only after Japanese ratification. (Ottawa's 54, September 28, Confidential.²)

Ceylon

Ratification soon after November 20—date reopening House. (Colombo's 205, September 27, Restricted.²)

France

Parliament reconvenes November 6. Procedural processes will probably delay ratification until late November. (Paris' 1966, October 2, Restricted.²)

Indonesia

Ratification depends on PNI action who now "desire avoid Cabinet crisis". If PNI would favor, Prime Minister would submit for early action. If PNI support doubtful, Government will wait for Japanese ratification, then conclude bilateral agreements on fisheries and reparations. Bilaterals and peace treaty would then be submitted for Parliamentary action simultaneously. (Djakarta's 478, September 26, Un-

² Not printed.

classified; 491, September 28, Confidential; 499, September 29, Confidential; 505, October 1, Unclassified.³)

The Netherlands

Netherlands Parliament will not act ahead of United States Congress. (The Hague's 322, September 25, Restricted.⁴)

New Zealand

Ratification expected after Japanese and United States action. (Wellington's 105, October 2, Restricted.⁴)

Pakistan

Will ratify "earliest practical date". (Karachi's 354, October 2, Restricted.⁴) The Pakistan Foreign Minister has since indicated that Pakistan will not anticipate United States action but will act immediately thereafter. It is still undetermined whether ratification will be by Constituent Assembly or by Cabinet action. (Karachi's 481, November 6, Secret.⁴)

Philippines

Expect ratification in February 1952. (Manila's 1201, September 28, Restricted.⁴)

United Kingdom

Enabling legislation amounting to ratification will be passed before Christmas. (London's 1609, October 3, Restricted.⁴)

Japan

Diet expected to approve peace and security treaties no later than November 15. (Tokyo's 656, September 29, Restricted.⁴)

³ None printed.

⁴ Not printed.

694.001/12-3151

*Handwritten Notes by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)*¹

[LONDON?, undated.]²

POINTS

1. Japan needs Nats friendship in UN etc.
2. Formosa trade important
3. Yoshida Govt anti-com.

¹ Attached to a covering note of April 11, 1958 (not printed), by Harold L. Skean, a Staff Assistant in the Executive Secretariat. The notes were presumably made before conclusion of the tentative agreement detailed in the document *infra*. Another portion of these notes, dated November 16, dealing with implementation of the agreement, is not printed.

² Mr. Merchant arrived in London November 13, 1951, for talks regarding a Sino-Japanese peace treaty with Robert Heatlie Scott, Superintending Under Secretary of the Far Eastern Department of the Foreign Office.

Yoshida gave US or Dulles no assurance he wld deal with Formosa

US Senate will demand some indication Japs are negotiating or getting on with an arrangement with Formosa.

We have been thinking of some formula wh wld recognize the *de facto* limitations on CKS³ ability to bind China. We have talked to Chinese (but not Japs) along such lines.

MEMORANDUM⁴

*Taipei desp. 121 of 9/27/51*⁵

Yeh—alt. B—

“The present Treaty shall in respect of the Rep of China be applicable in all of the territories which are now or which may hereafter be under the control of the Govt of China”

(agreed minute at exchange of ratifications)

*Per DepTel 334 to Taipei 10/17*⁶ *2nd formula pfd—modified c.f.*

“It is mutually understood that this treaty shall be applicable at any given time with respect to all areas under the actual control of either H.C.P.”

TACTICS

- 1) Recall & summarize Dulles—Morrison agreement.⁷
- 2) We have a problem—Senate
- 3) Natural factors at work
- 4) *We have not urged Japs to negotiate with Formosa & we have no commitment [word “commitment” uncertain]
- 5) We have tried to reason with Formosa to be realistic
- 6) We wld like UK to go with us to Japs & say

i) Provided it doesn't be signed or [last three words interpolated] come into force before multilateral does & provided Japs can be satisfied by Chinese on content, we wld see advantages in Japs opening negotiations with Formosa looking toward Bilateral

7) Despite difficulties arising from our different Ch Recog. policies, we have worked out in Treaty common public front with UK & are most anxious to retain it.

³ Chiang Kai-shek.

⁴ This word is printed on the notepaper.

⁵ Not printed; with it is enclosed the Republic of China's note paraphrased in telegram 419 from Taipei, September 27, p. 1362.

⁶ See footnote 3, p. 1363.

⁷ Mr. Merchant apparently had in mind a specific document. See footnote 15, p. 1414.

*We have urged Japs to set up overseas agency—We have not concealed our friendship for Nats & enmity for Commies. [Footnote in the source text.]

Essence—Dulles—Morrison Agreement (In writing?)

- 1) No China go to San Fran.
- 2) Japan when sovereign wld "conclude[“?”] arrangements with China of its choosing

Note—China could *negotiate* now.

—US wld not be able to urge Japan to negotiate exclusive Tr. with F.

US can agree now with UK

- 1) No bilateral come into force or be signed before Mult.
- 2) Will not urge Jap. to deal exclusively with Formosa but can work out *de facto* deal [last seven words interpolated; word “deal” uncertain]
- 3) UK similarly won’t urge excl. with Peiping
- 4) Give Dening latitude to work out cooperative line with Dulles.

How frank be with UK?

694.001/11-1451 : Telegram

The Ambassador in London (Gifford) to the Secretary of State

CONFIDENTIAL NIACT

LONDON, November 14, 1951—7 p. m.

2337. Fol is text of memorandum on Jap–Formosa relations referred to in immed preceding tel: ¹

“The fol points have been agreed at official level on behalf of the Dept of State and of the FonOff for submission to their respective Secretaries of State:

(1) The two govts are agreed that it is important to continue to maintain common front toward Japan on this question as they have on other questions throughout the Japanese peace treaty negots.

(2) Both govts are still of opinion that Japan’s future attitude towards China must necessarily be for determination by Japan itself in the exercise of the sovereign and independent status contemplated by the peace treaty.

(3) In particular both govts recognize the desirability of avoiding any action which at a future date might enable Japan to claim that her attitude to China had been determined for her by one or more of the Allied powers before she cld make the

¹ In telegram 2336 of the same date, marked “for Allison from Merchant,” the latter had reported that he and Mr. Ringwalt had had three negotiating sessions with Mr. Scott and his colleagues and had arrived at the tentative agreement printed here. According to Mr. Merchant, Mr. Scott had stated he had no reason to fear Mr. Eden would not approve the agreement. “We have made clear to Scott and he understands that if circumstances radically change this agrmt wld be jointly reconsidered. In this connection I have discussed frankly with him points made by Dulles in his August 9 conversation with Fitzmaurice.” (694.001/11-1451)

decision herself as an independent sovereign state on the coming into force of the peace treaty.

(4) If, in view of the importance to Japan of regularising her relations with the authorities in Formosa, the Japanese Govt wish, before the peace treaty comes into force, to engage in preliminary discussions with the Chinese Nationalist Govt for this purpose, the USG and HMG in the UK wld have no objection to such action on the part of the Govt of Japan providing that any agreement arising from such preliminary discussions were not concluded until after the multilateral peace treaty had come into force.

(5) The two govts agree that, during the forthcoming visit to Tokyo of Mr. John Foster Dulles, Mr. Dulles and Sir Esler Denning shld discuss within the framework of the above principles the problem of Japan's relations with Formosa including the attitude to be taken by our respective reps in any discussions they may have with the Japanese Govt on this subject.

GIFFORD

Under Secretary's Meetings, Lot 53D250

*Memorandum of the Under Secretary's Meeting, Prepared in the
Department of State*

TOP SECRET
UM N-419

[WASHINGTON,] November 14, 1951—9:30 a. m.

[Here follow sections of the memorandum which summarize discussion of the Korean military situation, Communist propaganda activities, and the Iranian situation.]

Administrative Agreement with Japan

6. Mr. Rusk reported that he is working on the broad administrative agreement with Japan which basically covers conditions of stationing American troops in Japan. He pointed out that there will be many difficult problems which will follow the success credited to our occupation and the recent peace conference. In the solution of some of these problems there may be a let-down. It is anticipated that we will have some difficulties with the Japanese and the JCS. He suggested that S/P might wish to reexamine the broad underlying philosophy of our administrative agreement as to whether stationing of troops over a period of years will drain off our goodwill with the Japanese people. He pointed out that EUR has a similar problem with respect to Germany.

7. Mr. Rusk stated that this administrative arrangement will be signed by executive agreement and not submitted to Congress, in order to retain the necessary flexibility in administering such an agreement. Mr. Rusk expects to go to Japan for preliminary talks as soon as the security pact and the peace treaty are ratified by the Diet. Early in

January, he expects to return to Japan for final discussions, and, at the same time, have the agreement in the hands of the Senate prior to its action on the ratification of the treaties.

8. Mr. Rusk pointed out that the Japanese will have considerable difficulty going from their present status to full sovereignty.¹ It will also be difficult for us. We must make every effort to preserve the forms of equality and sovereignty, so that Japan can become adjusted as quickly as possible to present world conditions. We must maintain U.S. prestige in Japan. This element of prestige has not been completely analyzed but it is a very important factor. We must persuade the Japanese that what follows is a common enterprise, a joint responsibility, and one in which they must make their contribution. Our success in these resultant actions will have an important effect on other nations in Asia. We cannot be put into a position of forcing our way into Japan. Mr. Rusk noted that there will be a problem of whether Japan can be given the "most-favored-nation treatment" similar to what is given NATO countries. When this question arises, Defense may wish to re-open the entire NATO question. The JCS at the present time does not accept equality of Japan and the NATO countries.

9. Mr. Rusk stated that the following physical arrangements are suggested, on the assumption of no hostilities in Korea:

a. The number of American troops stationed should be limited to the requirements of Japan itself. Security requirements for the rest of the Far East should be handled by using bases outside of Japan.

b. We should use the facilities formerly used by the Japanese armed forces and get out of Japanese commercial facilities.

c. We should avoid large cities.

d. CINCFE should be located outside of Japan, so that Japan would not be brought into general Far East difficulties, and also so that CINCFE would not be cut off in case of an emergency.

e. American forces should be so located that they would have control over their own lines of communication.

f. In order to limit facilities, the number of dependents should be restricted.

g. Recreation facilities should be on a shared basis.

¹ In a memorandum of November 9, Mr. Rusk had discussed in somewhat greater detail a number of the points touched on above. The first paragraph of that memorandum follows:

"1. The overriding policy consideration affecting all post-Treaty arrangements with Japan is the necessity for obtaining and preserving a voluntary and strong commitment of the Japanese Government and people to friendship for and common action with the United States and the free world. Questions of cost, convenience or preference must be subordinated to this overriding policy, the failure of which would be disastrous and would produce incalculable costs for the American people." (The source text is a copy of Mr. Rusk's memorandum made on November 19 for distribution to members of the Policy Planning Staff; PPS Files, Lot 64 D 563)

h. Standard of living should be similar to that in the U.S. and should not be ostentatious.

i. The U.S. should give up the Dai-Ichi building and other Japanese buildings.

j. An intensive information program among our troops stationed in Japan should be maintained.

10. Mr. Rusk pointed out that the above does not represent a final position and requires considerable more discussion, especially with Defense. Defense will have serious differences with us on many of the above points, such as quarters, location of CINCFE, etc.

11. As a corollary to the above discussion, Mr. Nitze² pointed out that we need Defense plans on how they plan to protect the Far East area. Apparently they have not looked at the problem of continued build-up of Chinese Communist forces and how we cope with this factor.

² Paul H. Nitze, Director of the Policy Planning Staff.

Department of Defense Files

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Lovett)

SECRET

[WASHINGTON.] November 16, 1954.

Subject: Administrative Agreement between the U.S. and Japan to Implement the Bilateral Treaty for Collective Defense.

1. On 8 August 1951 the Joint Chiefs of Staff furnished you their views¹ on a draft Administrative Agreement² between the United States and Japan to Implement the Provisions of the Agreement They Have Entered into for Collective Defense. This first draft has been revised as a result of:

- a. Discussions at the State-Defense level;
- b. Revisions suggested by the Services;
- c. Suggestions interposed by General Ridgway's representatives; and
- d. Recommendations received from representatives of the Department of the Treasury.

2. The Joint Chiefs of Staff submit herewith their recommended changes to the previous draft Administrative Agreement, including therein these revisions referred to in paragraph 1 above in which they

¹ See the attachment to the letter from Mr. Lovett to Mr. Acheson dated August 22, p. 1282.

² See footnote 1 to Mr. Lovett's letter, p. 1281.

concur (changes indicated in the usual manner).³ However, the Joint Chiefs of Staff would point out that this Administrative Agreement includes many matters which are beyond the purview of the Joint Chiefs of Staff, whose interest concerns primarily command, strategic disposition, and operations of military forces. Hence, although the Joint Chiefs of Staff agree that the Department of Defense and the three Armed Services are properly concerned in all of the matters that are contained in this Administrative Agreement, they feel that the comments of the Joint Chiefs of Staff concerning matters beyond their purview should be treated only as guidance. The primary concern of the Joint Chiefs of Staff in connection with the Administrative Agreement is that the agreement should not restrict the authority of the Commander in Chief, Far East (CINCFE) in carrying out his operational mission and that in case of hostilities or imminent hostilities he be afforded the latitude required to carry out that mission.

3. The majority of the changes in the revised draft have been made in the interests of clarity and completeness. However, it should be noted that:

a. A new paragraph pertaining to the safeguarding of certain United States security interests has been added to the Agreement (paragraph 8, Chapter I, Conditions for Garrison of Troops). This paragraph requires Japan to enact the necessary legislation to ensure the adequate security within its territory of installations, equipment, property, records and official information of the United States, and for the punishment of persons who may contravene laws enacted for that purpose. As far as can be determined, legislation which would apply under those circumstances in the post-occupation period is not now in existence in Japan. It is considered essential that such legislation be enacted in order to provide for the prosecution and punishment of individuals, subject to Japanese jurisdiction, who are apprehended in the commission of acts prejudicial to United States security interests;

b. Chapter II, Expenses, has been extensively revised. It has been found infeasible to describe in detail and to incorporate in an annex, as was previously proposed, the facilities and services to be furnished the United States by Japan—at its expense. Instead, the obligations Japan is to assume in this respect are now set forth in Chapter II in terms acceptable to the Joint Chiefs of Staff; and

c. It is to be noted that the clause “after consultation with the Japanese Government” remains in paragraph 1, Chapter IV, Collective Defense Measures.⁴ In their memorandum to you of 8 August 1951, the Joint Chiefs of Staff recommended a revision of this para-

³ An enclosure dated October 22, not printed, is titled “Administrative Agreement to Implement Security Treaty between the United States of America and Japan”, and is subtitled “CINCFE Mission Draft”.

⁴ Except for the addition of this language at the end of paragraph 1, text of Chapter IV in the enclosure (see footnote 3 above) is the same as that given in footnote 9, p. 1284.

graph in which this statement was deleted. After consideration of all factors bearing on this subject the Joint Chiefs of Staff have now agreed to the retention of this clause in order to avoid the appearance of infringing upon the full sovereignty to be accorded Japan by the Peace Treaty and in the interest of facilitating the negotiation of the Administrative Agreement as a whole.

4. In the light of the substantive matters covered in the Administrative Agreement and the importance of these matters to the security interests of the United States, the Joint Chiefs of Staff strongly recommend that all necessary measures be taken to expedite the negotiation of the Administrative Agreement to the end that it will come into force concurrently with the Japanese Peace Treaty and the bilateral United States-Japan Security Treaty.⁵

For the Joint Chiefs of Staff:

W. G. LALOR

Rear Admiral, U.S. Navy (Ret.)

Secretary

⁵ With a covering letter dated December 14, 1951, Acting Secretary Foster forwarded this memorandum and its enclosure to Mr. Acheson. Mr. Foster commented:

"The Joint Chiefs of Staff have pointed out in their memorandum two principles which are basic from the military viewpoint, and with which I concur:

"(a) The Administrative Agreement should not restrict the authority of the Commander in Chief, Far East (CINCFE) in carrying out his operational mission and that in case of hostilities or imminent hostilities he be afforded the latitude required to carry out that mission.

"(b) All necessary measures be taken to expedite the negotiation of the Administrative Agreement to the end that it will come into force concurrently with the Japanese Peace Treaty and the bilateral United States-Japan Security Treaty." (Department of Defense Files)

694.001/11-1751 : Telegram

The Ambassador in London (Gifford) to the Secretary of State

SECRET

LONDON, November 17, 1951—noon.

2397. For Merchant ¹ from Ringwalt. Embtel 1072, Nov 16 to Paris 2389 to Dept.²

1. Conversation with Scott this morning revealed Dening's reaction to draft agreement not adverse—rather he wanted time to think it over. Main emphasis Dening's tel was his understanding present-day Jap psychology. He expressed view that since San Francisco Japs

¹ Mr. Merchant had left London for Paris the evening of November 17.

² In this telegram, marked "for Allison from Merchant," the latter had stated in part that he had learned from Mr. Scott that Sir Esler Dening had reacted adversely to the draft agreement with regard to a joint Anglo-American approach to Sino-Japanese relations and that Eden had said, again according to Mr. Scott, that "he had not had time to fully go into problem but had [had] no idea Scott and I were going so far and so fast" (694.001/11-1651)

have been construing their status as already semi-independent, an attitude fostered by SCAP's understandable efforts build up Japan internationally. Japs, Dening thinks, are beginning to feel "uppish" and will likely react strongly to strong-arm methods. Dening afraid US does not completely realize this. He convinced future Jap relations with US remain dominant factor in Far East and he wonders whether US insistence on influencing Jap relations with Formosa will not in long run prove detrimental such relations.

2. Main difficulty, according to Scott, will be with Eden to whom draft agreement came as bomb-shell. Eden told Scott he had no idea subj Jap-Formosan relations were even subject to review, that he did not recall being given substance Telac 10 of Nov 7³ to Paris containing background your visit to London, and that he had no idea what you and Scott were to discuss. Therefore Eden wants time to consider whether draft agreement is in fact within framework existing Brit policy.

3. Scott informs me in strict confidence he has prepared full brief for Eden defending draft agreement and urging Eden's approval. He seems reasonably confident Eden will be won over.

4. I shall check with Johnston early Monday afternoon⁴ and plan to telephone you shortly thereafter. Meanwhile you may wish consider desirability remaining Paris few days longer in order assist Secy in any conversations with Eden on latter's return to Paris.

Sent Paris priority 1080, rptd info Dept 2397. [Ringwalt.]

GIFFORD

³ Ante, p. 1393.

⁴ November 19.

Tokyo Post Files : 320 Japan-U.S.

*The Deputy Director of the Office of Northeast Asian Affairs
(McClurkin) to the United States Political Adviser to SCAP
(Sebald)*

SECRET

WASHINGTON, November 19, 1951.

DEAR BILL: The Mutual Security Program for Fiscal Year 1953 is not expected to include either an economic or a military assistance program for Japan. The thinking in the Department of Defense has been that any military assistance for Japan for FY 1953 would be taken care of out of general Department of Defense budget. This position has accorded with our own thinking; many of our Allies—in particular the British, the French and the Australians—have expressed considerable reluctance to see Japan too rapidly rearmed. Consequently we feel that it would be highly undesirable to incorporate a

military assistance program for Japan in any public document before the effective date of the Peace Treaty.

In spite of the fact that there is therefore no real necessity for doing so, we felt that it was desirable, for the sake of giving a complete picture of the situation in the Far East, to include in the general Mutual Security Program a statement on Japan prepared in the same form as the statements on the other countries in the area.

I am attaching a copy of this paper, and of the paper on Korea,¹ so that you will know what we have said. These papers will go through many metamorphoses before they reach final form. Consequently, if you have any suggestions for corrections, additions or deletions, we shall be glad to have them.

Sincerely yours,

BOB

¹ Neither printed.

694.001/11-2251 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, November 22, 1951—5 p. m.

3080. Re Deptel 3041, Nov 19.¹ Immediately following later telegram ² contains text Eden's personal message to Secretary delivered to him afternoon Nov 21 and text Secretary's message in reply sent Eden Nov 22 in confirmation conversation Secretary had evening Nov 21, with Eden. Schuchbough,³ Battle ⁴ and Merchant also present.

In that conversation the Secretary asked Eden to elaborate on thoughts behind his message, particularly re "modus vivendi" adding that we believed Japs would want to work out with Chi Nats property claims under Art IV of multilateral, representation and related questions and that from such informal talks preliminary consideration might develop re an agreement which would not be concluded until after Japan had regained its sovereignty. The Secretary said it was not a question of "recognition" but of practical realities. Eden indicated he had no objection to Japanese discussing practical problems with auths of Formosa, but that he was concerned with political aspects; he could not approve any move looking toward recognition of the Nats as the Govt of China and in particular he believed it most important that no relationship develop between Japan and Formosa which could give rise to suspicion that the latter might return to control of the former or that we were going back on the Cairo declara-

¹ Not printed.

² See telegram 3095 from Paris, November 23, *infra*.

³ Apparently Charles Arthur Evelyn Shuckburgh, Head of the Western Organisations Department of the United Kingdom Foreign Office.

⁴ Lucius D. Battle, Special Assistant to Secretary Acheson.

tion. The Secretary agreed and commented that we were thinking in terms of a treaty or agreement which recognized the realities of the Chi Nats position.

Secretary then suggested and Eden agreed that practical working out of problem of our attitude toward Japanese and preservation of undivided front be left to Dulles and Denning in Tokyo next month against background this conversation and with each reporting back in event of difficulty in which event he and Eden could communicate with each other. Eden said he would send instructions to Denning in this general sense.

Sent Dept 380, rptd info London 833.

BRUCE

694.001/11-2351 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, November 23, 1951—2 p. m.

3095. Embtel 3080, November 22, to Dept ¹ rptd London 833. Fol two personal messages from Eden to the Secy received under cover informal letters from Brit Emb dated Nov 20 and 21 respectively:

(1) "I am sorry that owing to the pressure of business in Paris it was not clear to me from what you said to me there how far you intended that the talks with Mr. Merchant on this subj shld go. In the circumstances I am sure you will understand that I need more time to consider this difficult prob. I will communicate with you again on the subj as soon as possible."

(2) "I much appreciate the frankness with which the US Govt have consulted us over this prob and I strongly agree on the importance of our maintaining a common front towards Japan as we have done on other questions throughout the peace treaty negots.

"On full consideration, however, I do not feel able to approve the draft formula which emerged from the official level talks in London last week. My predecessor and Dulles agreed in June last that Jap's future attitude towards China must be for determination by Jap itself in the exercise of the sovereign and independent status contemplated by the peace treaty. I stand by this agrmt. I recognize that there are trade relations and other practical questions which may require contacts between the Jap Govt and the Chinese Nationalists. It wld be one thing for the Jap Govt, shld they so desire, to take preliminary steps aimed at a *modus vivendi* covering these matters. I wld not wish to discourage this. It wld be quite another thing for Jap to embark on any form of recognition of the Chi Nationalists, and if need arose I shld feel bound to endorse the advice already given the Jap Govt by Sir E. Denning against this action. I cannot help feeling that any such action might add to Jap's and our difficulties in the future.

¹ *Supra.*

"In answering your proposal on these lines, I wld not wish to be thought unconscious of the probable difficulties in regard to the ratification of the peace treaty in the US Senate. We must, however, also consider the parliamentary situation in this country and I shld be most reluctant to do anything to jeopardize the bipartisan acceptance which the Jap peace settlement has so far received in Parl."

Following is the Secy's ltr to Eden Nov 22:

"Dear Mr. Eden: I was glad to have had the opportunity to talk with you last evening on the matter of Jap's relations with the Chi Nationalists which was the subj of the personal message I recd from you yesterday.

"I explained to you my concern in the matter and I am sure you understand there is no thought of attempting to coerce the Jap Govt or of its concluding an agrmt before it regains its sovereignty. There are, however, in the meantime, the very practical probs of trade, claims, representation and like questions with which Jap must deal. I believe that the Jap, if they so choose, shld not be discouraged from extending the discussion of these probs with the authorities on Formosa into preliminary talks looking toward an agrmt which wld conform to the realities, but which wld in no event be concluded before the multilateral treaty comes into force.

"I believe you and I were right in our decision to leave these inter-related probs for discussions in Tokyo next month between Dulles and Sir Esler Dening. I have great confidence that they will be able on the scene to work this out in such fashion as to maintain our common front and avoid giving the Jap any opportunity to play one of us off against the other. If any difficulties shld arise, you and I can communicate with each other. Sincerely yours, Dean Acheson."

BRUCE

Lot 54D423

Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Consultant to the Secretary (Dulles)

SECRET

[WASHINGTON,] November 26, 1951.

Subject: Conversations in London and Paris with the British regarding the future relations between Japan and Formosa.

Summary of Trip

I arrived in London early in the afternoon of November 13 and after conferring at the Embassy with Messrs. Holmes,¹ Penfield² and Ringwalt, I started my conversations that same afternoon in the Foreign Office with Mr. Rob Scott, Assistant Secretary for the Far East. Mr. Eden had not fully absorbed what the Secretary had told

¹ Julius C. Holmes, Minister at the Embassy in London.

² James K. Penfield, Counselor of the Embassy in London.

him a few days earlier in Paris concerning the purpose of my trip but the Embassy had supplied Mr. Scott with a briefing from your telegram of November 7 to the Secretary.³

Accordingly, I plunged immediately into a frank discussion of the serious difficulties which could be expected in the Senate in its debate on the Peace Treaty with Japan were we still lacking a clearer and more satisfactory indication of the intentions of the Government of Japan regarding its future relations with the National Government of China. Mr. Ringwalt was with me, and Mr. Scott had Mr. Johnston and Mr. Peter Scott present. Mr. Scott displayed a far more understanding and constructive attitude than either the Embassy or I had expected and when we broke up that evening it was decided that he would prepare for discussion the next morning a draft of the points of understanding.

We met again the next morning and went over the draft produced by the British.⁴ It was unsatisfactory in certain major respects. After making some broad critical comments, most of which Mr. Scott was ready to accept on the spot, I said that I wanted more time to study it and we arranged to meet again in the afternoon. At the afternoon session on November 14, I produced a counter draft⁴ which was substantially accepted. It was agreed that the resultant draft memorandum of understanding would be submitted for Mr. Eden's approval by Mr. Scott immediately upon the former's arrival from Paris the following day and that I would submit the draft to Washington⁵ for the Department's approval and later submission to the Secretary if the Department believed that desirable.

Mr. Ringwalt and I dined with Mr. Scott that evening and discussed the situation in the Far East in general terms. Mr. Scott at all times impressed me as having an assessment of the situation which approached much more closely the American view than had been the case in the past with Sir Esler Dening. It was equally obvious that his instinct and desire was to cooperate with us to the maximum extent possible.

Having telegraphed to the Department the draft with comments that evening, I received the following day a query on one aspect of its interpretation, to which I made reply by telegram.⁶ On the assump-

³ For Telac 10 to Paris, see p. 1393.

⁴ What is apparently this draft is attached to a covering note of April 11, 1958 by Harold L. Slean (694.001/12-3151). Neither is printed.

⁵ In telegram 2337 from London, November 14, p. 1401.

⁶ In telegram 2369 from London, marked "For Allison from Merchant," the latter had stated in part: "I do not believe draft agreement wld prevent US reps Tokyo from continuing to leave impression with Japs that entry into discussions with Chi Nats looking toward realistic bilateral treaty (to be concluded after multilateral comes into force) wld seem desirable." (694.001/11-1551)

tion that the Department would then approve the draft I made my plans to go to Paris on Friday evening, November 16th, with a view to informing the Secretary over the weekend of the discussions and securing his approval of the memorandum. In the early afternoon of November 16, Mr. Allison informed me by telephone from Washington that the Department had approved the draft agreement for submission to the Secretary and I so informed Mr. Scott, who thereupon undertook to take it up promptly with Mr. Eden. Mr. Scott, who was leaving for Singapore the following evening had given me the distinct impression that he had no reason to anticipate any difficulty in securing Mr. Eden's approval. Only a few moments before I was due to leave for the airport Mr. Scott telephoned me in considerable agitation to say that Denning in Tokyo (to whom they had cabled for comment a copy of the draft agreement) had come back with an adverse reaction and that Mr. Eden's reaction had been one of desiring more time to consider the matter. I expressed my surprise and disturbance over this development but assured him that it had been clearly understood that the draft was to have been submitted to Mr. Eden for approval and, similarly, to Secretary Acheson. Mr. Scott said that he would see Mr. Eden again the following day and seemed not unhopeful that he would in the end secure his approval.

It seemed to me that I had best abide by my plan to proceed to Paris, which I did. I thought that by promptly securing the approval of the Secretary to the draft and communicating that fact to the Foreign Office, the most effective additional pressure would be placed on Mr. Eden. The fact that Mr. Eden was hectically preparing to lead a two-day debate in the House on foreign policy further led me to the conclusion that it would be better to leave the advocacy in the first instance to Scott and then count on the Secretary's talking to Eden on the latter's return to Paris a few days later.

On Sunday morning, November 18, the Secretary saw me and after careful discussion approved the draft agreement and authorized the communication of this fact to the Foreign Office. This was done. The Secretary asked me to remain in Paris to be present when he saw Mr. Eden on this matter as soon as possible after Mr. Eden's arrival in Paris on November 21.

On November 20 the Secretary received a message in writing from Mr. Eden to the effect that he needed more time to consider the problem posed. The following day, November 21, the Secretary received a second personal message which revealed that Mr. Scott had failed to persuade Mr. Eden.⁷ This message was also considerably flatter than

⁷ Both of Mr. Eden's messages are in telegram 3095 from Paris, November 23, *supra*.

Mr. Ringwalt's intervening talks with the Foreign Office had foreshadowed.

I discussed the situation further with the Secretary in the light of this development and gave him a short briefing memorandum.⁸ The objective became one of impressing on Mr. Eden the problem we faced; what our attitudes and purposes were, then securing his agreement to leaving the general subject for discussion between Mr. Dulles and Sir Esler Denning in Tokyo, with as much flexibility as possible in the latter's instructions. A date was made with Mr. Eden for immediately after the close of the three Foreign Ministers' meeting on Germany on the afternoon of November 21.

At this meeting, as reported by telegram,⁹ the Secretary made clear to Mr. Eden the extent and seriousness of our difficulty on ratification and the consequent necessity of Mr. Dulles's securing a clear indication from the Japanese Government of its purposes on the matter. The Secretary emphasized the forces at work which made a treaty or agreement with the Chinese Nationalists natural and desirable. He explained that we were thinking of a limited agreement or one with a realistic applicability provision. He also said that while we felt the sooner discussions started between Formosa and Japan the better, we were not thinking of the final conclusion of any agreement which might emerge until the multilateral went into effect.

Finally, the Secretary urged that in the light of this discussion, Ambassador Denning be given considerable flexibility in working out with Mr. Dulles in Tokyo an attitude which would maintain to the maximum degree possible US-UK united front.

Mr. Eden left the general impression of going along with this, though the language of his replies was not too precise. He emphasized that he saw no objection to "de facto" relations but that he would have to object to the development of a relationship which recognized the National Government as the government of all China, or one which (and this was somewhat confused in his presentation) might give rise to the suspicion that Formosa would ultimately return to Japan and the Cairo Declaration be repudiated. He said he would get out instructions immediately to Ambassador Denning in the light of all these conversations and that Denning could then report back to him if any difficulties arose. The Secretary agreed and said that if the latter occurred he and Mr. Eden could communicate further with each other.

The Secretary expressed himself as being anxious not to leave the written record on the basis of Mr. Eden's last message to him. Ac-

⁸ Of November 21, not printed (694.001/11-2151).

⁹ Telegram 3080 from Paris, November 22, p. 1408.

cordingly, I drafted a reply for the Secretary which sought to nail down the ground recaptured. The Secretary signed and dispatched this letter¹⁰ the following day to Mr. Eden and I left Paris for Washington on the evening of November 22.

*Attachments*¹¹

I attach a copy of the letter from our Embassy in London to Mr. Scott, dated November 12, concerning my impending arrival in London;¹² a copy of Mr. Dulles's memorandum of conversation with Mr. Fitzmaurice and Mr. Tomlinson on August 9;¹³ a copy of Mr. Dulles's memorandum of conversation with Mr. Morrison, September 9¹⁴ (on both of which I drew heavily in my discussions with Mr. Scott); a copy of the Dulles-Morrison agreement of June 19, 1951¹⁵ (to which the British quite frequently referred); a copy of my briefing memorandum of November 21 to the Secretary in anticipation of his appointment with Mr. Eden; and a complete file of telegrams between Washington, London and Paris on the subject of these discussions, as follows:

[Here follows a list of telegrams.]

Comments and Conclusions

Although the final result was disappointing in terms of what at first appeared possible of achievement, I believe the following has been accomplished:

(1) The British are fully and frankly on notice as to the seriousness of our problem regarding ratification. They know what our attitude is. I told Mr. Scott, for example, that we would not and could not conceal from the Japanese the fact that we regarded the Chinese Communists as a hostile regime defying the United Nations and killing our men in Korea and that, on the other hand, we recognized and supported the Chinese Nationalist Government as the government of China. Our talking to them so frankly, I believe, has dispelled a certain amount of suspicion of us on their part.

(2) The British more clearly recognize and accept that the large and growing importance of trade between Formosa and Japan, the position of the Chinese Nationalist Government in the UN and related organs, and the provisions of Article IV, are all powerful forces now working towards the regularization of relations between Formosa and Japan. The British are not, however, by any means as convinced as we that, in the absence of pressure, the Yoshida

¹⁰ Text in the telegram, *supra*.

¹¹ None found attached.

¹² This letter by Mr. Ringwalt made known to Mr. Scott the entire text of Telac 10 to Paris, November 7, p. 1393.

¹³ *Ante*, p. 1249.

¹⁴ *Ante*, p. 1343.

¹⁵ In an index titled "China Papers," found in Lot 54D423, the document of June 19 printed under its title of "Chinese Participation and Formosa" is listed as the "Morrison-Dulles Agreement." For text, see p. 1134.

government would immediately plump for the Chinese Nationalist Government.

(3) A considerable field for discussion and agreement on the spot with Sir Esler Dening has been cleared, I believe, for Mr. Dulles' talks with him in Tokyo.

Certain further comments follow:

(1) I believe Dening is the real fly in the ointment and that he has been actively attempting to influence the Japanese, not to a postponement of a choice on their part of which China, but actually to an ultimate choice of the Peiping government.

(2) Mr. Eden impressed me as being surprisingly unfamiliar with the nature and background of this general problem. I believe, however, and Mr. Penfield of our London Embassy agrees, that Mr. Eden will not be so hypersensitive regarding the Dulles-Morrison agreement once the House of Commons has taken the action which constitutes ratification. Mr. Eden said that this would be completed this week before the House recesses.

(3) Mr. Scott emphasized the lack of value in a treaty fairly subject to the later charge that it had been entered into under duress. He cited their present troubles with Egypt. The British accordingly feel that we should in our own interest be careful not to twist the arms of the Japanese to overcome what he considers a reluctance on their part to start immediate negotiations for a bilateral treaty with Formosa. I think this difference in assessment of the Japanese attitude on the part of the British and ourselves requires further examination. I think it may well give point to Mr. Scott's expressed belief that, however rapidly negotiations might develop between the Japanese and Formosa, some decent interval should elapse after the coming into force of the multilateral peace treaty before any bilateral was formally signed or otherwise came into force.

(4) It was unfortunate I think that Mr. Scott had to leave for Singapore when he did for I felt that he wholeheartedly supported the draft which he and I had worked out.

(5) I made very clear, and Mr. Scott acknowledged, that if circumstances substantially changed, our position necessarily would have to, and that in such case we would of course talk to the British frankly as we now were. I went over in some detail the point which Mr. Dulles had made to Mr. Morrison and Messrs. Fitzmaurice and Tomlinson, to the effect that a situation might develop, for example, under which Japan might in fact possess and could properly exercise independence of choice in concluding an agreement with Formosa even prior to the multilateral's coming into effect.

(6) Mr. Ringwalt kept notes¹⁰ on our conversations with Mr. Scott but did not plan to make up detailed minutes. The British likewise kept extensive notes, though there was no discussion or thought of having agreed minutes. I did, however, have Mr. Ringwalt go over their minutes in draft to see if there were any inaccuracies or misunderstandings. He found only one, which at our request was corrected.

¹⁰ Not found in Department of State files.

693.94/11-2751

*Memorandum of Conversation, by the Assistant Secretary of State for
Far Eastern Affairs (Rusk)*

SECRET

Tokyo, November 27, 1951.

Subject: Relations Between Japan and Communist China

Participants: Prime Minister Yoshida of Japan

Ambassador William J. Sebald, U.S. Political Adviser

Mr. Dean Rusk, Assistant Secretary for Far East ¹

Ambassador Sebald accompanied me on a brief courtesy call upon the Prime Minister, prior to a subsequent meeting later in the day with General Ridgway and the Prime Minister about the purposes of my visit.²

Mr. Yoshida received us at the Foreign Minister's official residence with great cordiality and began by expressing his great appreciation to the President and the Secretary of State for the quality of the Occupation and for the successful negotiation of the Peace Treaty. I responded in the usual manner, mentioning our pleasure that Mr. Yoshida had been able to come personally to the San Francisco Conference, our appreciation for the contribution which he had made to the Conference itself, and our admiration for the skill with which he had successfully steered the Peace Treaty and the Security Pact through the recent Diet debates.

Mr. Yoshida said that he had been quite surprised and pleased with the nature of his reception in Japan after the San Francisco Conference. He said that before he went to San Francisco he had very much in mind the cool reception in Japan which had been accorded their delegates to the Portsmouth and the Versailles conferences. He was all the more pleased to find great public interest and apparent sympathy for him upon his return from San Francisco. He attributed this in considerable measure to the nature of the Conference and the quality of the Peace Treaty itself.

The Prime Minister then broached a new subject which was obviously very much in his mind. He said that he had been trying to think of some "contribution" which Japan might make to the common cause in the post-Treaty period. While he did not have any particular moves or measures in mind, he had been wondering whether Japan might not make its contribution in relation to the China question. He

¹ Mr. Rusk was in Tokyo November 21-27 with a group (including General Hamblen as representative of the Secretary of Defense) whose purpose was to discuss terms of the Administrative Agreement with General Ridgway and with Japanese officials.

² No documentation regarding this scheduled meeting has been found in Department of State files. Mr. Rusk had been extensively briefed by SCAP officials on November 23, and records of this briefing are filed in Tokyo Post Files, 320.1 BST.

said that as long as Allied policy toward China had been unified the situation in that country was reasonably satisfactory, but that when Allied unity was broken, the situation became very serious. He repeated several times that he did not know what measures he might be able to suggest, but that he was looking for a "contribution" which Japan could make. On his own initiative, he said that he would not enter into "direct negotiations" with the Peiping authorities without the knowledge of the United States.

I told Mr. Yoshida that his statement that he would not enter direct negotiations with the Peiping authorities without our knowledge was a very important matter which I would report promptly to my Government. I said that we ourselves took a very serious view of developments on the mainland of China, particularly of the course of aggression which had been launched by the Peiping regime both against Korea and against its neighbors to the south. I said we felt very strongly that nothing should be done which would add any strength, prestige or status to a regime which was engaged in such a course of action; that the American people had invested 100,000 casualties in order to meet this course of aggression and that we felt that common and determined action by all of the free nations of the Pacific was essential to the maintenance of peace.

I asked Mr. Yoshida whether he had any reason to believe that the Peiping regime might be on the point of changing its policy or its alignment with the Soviet Union. He did not respond directly, but said that he knew Japanese who had friends on the mainland and who might be of assistance to him in finding whether there were useful steps which he might take.

Mr. Yoshida referred to differences between United States and British policies in China as an unfortunate development. I said that we too were sorry that such divergences appeared at the time of British recognition of Peiping, that in some respects British national interests as a European power might diverge from American interests, heavily involved as we are in both the Atlantic and the Pacific, but that in the Pacific Japanese and American interests would seem to be very close together and should form the basis for a common policy in the security field.

I discussed the above conversation with Ambassador Sebald afterward and we agreed that Mr. Yoshida seemed to be raising the subject of China in order to lay a foundation of some sort for further suggestions or moves which he anticipated we might find disagreeable. I did not attempt to pursue the matter to any conclusion because Mr. Yoshida was disclaiming any specific ideas on the subject and because I was aware that Japan's relations with China were being discussed in Paris, London and Washington.

I believe the above conversation tends to confirm the impression that Sir Esler Denning has been very active with the Japanese on the subject of China.

894.501/11-651

*The Acting Secretary of State to the Acting Secretary of Defense
(Foster)*¹

TOP SECRET

WASHINGTON, November 29, 1951.

MY DEAR MR. FOSTER: With reference to measures to be taken toward ensuring the security of Japan, General Marshall in his letter of September 4, 1951,² informed the Department of State that the President on August 29, 1951, approved the establishment of a Japanese-manned coastal security force, organized and equipped along normal coast guard lines, composed of vessels with appropriate armament and speed, and under SCAP operational control, to be operated in waters contiguous to the Japanese islands. The text of this policy statement was subsequently transmitted to SCAP in JCS 81770, September 18, 1951,³ together with a request that he take no formal action in the matter until the Department of State had informed certain friendly members of the Far Eastern Commission of the proposed step.

Similarly, in my letter of September 28, 1951,⁴ which suggested that personnel of the Japanese National Police Reserve be brought in rotation to United States bases in Japan for training in the use of heavy armament, it was requested that no action in this regard be taken until the step had been discussed in advance with certain friendly members of the Far Eastern Commission. Mr. Lovett's reply to this letter, dated November 6, 1951,⁵ accepted this suggestion and requested that the necessary discussions be completed as soon as possible in order to permit early initiation of the training program.

These discussions have now been held with representatives of Australia, Canada, France, New Zealand, the Philippines, and the United Kingdom, none of whom has raised any objections to the two proposals. Accordingly, the Department of State perceives no objection to your taking steps for the immediate establishment of the coastal security force and the initiation of the proposed training program for the National Police Reserve.

¹ Memorandum drafted by Douglas W. Overton of the Office of Northeast Asian Affairs.

² *Ante*, p. 1330.

³ See footnote 1, p. 1331.

⁴ See footnote 7, p. 1361.

⁵ See *ibid.*

During the course of the foregoing discussions, the Australian representative, while indicating that his Government would interpose no objections to the two proposals under reference, reiterated the Australian Government's view that the rearming of Japan should not proceed too rapidly particularly prior to the coming into effect of the Peace Treaty. He was assured that the United States Government was fully aware of the position of the Australian Government in this regard and at present had no intention of taking action other than had been described.

In addition, several of the representatives expressed the hope that the two proposals would be carried out with as little publicity as possible. The Department of State concurs in this view, and requests that no public announcement concerning the subject of either the coastal security force or the training of the National Police Reserve in the use of heavy armament be made except in so far as it may be deemed necessary to reply to specific inquiries raised by representatives of the press.

Sincerely yours,

JAMES E. WEBB

693.94/11-3051 : Telegram

The United States Political Adviser for Japan (Sebald) to the Secretary of State

SECRET PRIORITY

TOKYO, November 30, 1951—6 p. m.

Topad 1167. ReDeptels 1058, November 21; 1147 November 23 and related messages. As indicated in previous tels, Yoshida has appeared to be giving serious consideration to reestablishing relations with Chinese Nationalist Govt, presumably on grounds:

- (1) It is to Japan's advantage politically support Chinese Nationalists in return latter's support in UN and related organization;
- (2) Parallelism with assumed US policy;
- (3) Incongruity of establishing relations of any kind with Commie China which has been denounced as aggressor by UN and is actively engaged as opponent UN in Korea;
- (4) Fear of prejudicing pending US Senate ratification peace treaty;
- (5) Opportunity increase trade with Formosa even though limited scale; and
- (6) Former close political, commercial and cultural ties with Formosa.

On other hand it is apparent UK mission, particularly since arrival Dening, has exerted considerable pressure restrain Japan from going too far in establishing relations with Taipei in view long term consequences. It may be assumed Dening has explored with Japanese their historical and realistic interest in close relationship with China

proper, influences which Japan might exercise on Peiping, and counter to Soviet Russia which working relationship between Japan and Commie China might bring about.

There is further element of Eden's implied insistence upon literal interpretation Dulles-Morrison agreement with result that British have apparently maneuvered US into position where we are charged with bad faith shld we urge Japan establish even limited diplomatic relations with Taipei and, conversely, where British are free to urge Japanese not establish such relations but at same time can dangle before Japanese eyes, mirage of benefits to be derived from closer affiliation with continental China.

Above considerations have without doubt caused Japanese to reassess their China policy as indicated by series of ambiguous and evasive Yoshida statements, including "Shanghai" remark in Diet interpellation, suggestion that Allies make choice of which China, Japan shld choose, etc. We believe present attitude Japanese Govt toward relations with China to be governed by series of negative precepts, of which fol most important:

(1) Japan shld not at this time recognize or otherwise enter into political relations with Commie China;

(2) Japan shld not on other hand undertake political commitments vis-à-vis Nationalist China of such nature as to preclude future *de facto* relations with Commie China, particularly in field of trade;

(3) In view of evident Anglo-American differences on this subj. any affirmative actions taken by Japan re either regime in China will be apt to offend either US or UK; therefore most prudent course for Japan is to eschew such actions pending return full sovereignty and possibility of further developments which might place Japan in more advantageous position.

Japanese Govt is actually in position of having agreed in writing not "to conclude a bilateral treaty"¹ with Commie China and simultaneously of not having agreed to establish diplomatic relations with Chinese Nationalists. Yoshida has made latter clear in his Diet explanation regarding meaning of establishing JGOA in Taipei which he said does not exclude possibility at appropriate time of opening similar agency for "trade purposes" in Commie China. Japanese Govt. with British encouragement, therefore finds itself free play both horses without incurring charge of bad faith toward either US or UK. By exploiting US-UK disagreement Japanese Govt is in good position to stall, a situation which may be expected work more to UK than to US advantage inasmuch as their desiderata, to a greater extent than ours, can at this stage be satisfied by Japanese inaction.

¹ The quotation is from Mr. Yoshida's letter of August 6 to Mr. Dulles, p. 1241.

Unless Chinese Nationalists themselves take initiative for opening treaty talks with Japanese, we believe latter have now gone about as far as they will go at this time toward *rapprochement* with that regime. Shld Chinese Nationalists take such initiative, we believe Japanese wld agree to informal discussion possible terms bilateral treaty, but wld temporize to point of preventing such talks from being finalized before multilateral treaty comes into effect. We agree with Denning that strong arm tactics on our part wld be counter-productive, especially so long as Japanese cld obtain at least tacit support of UK in resisting such tactics.

While persistence this equivocal Japanese attitude toward Taipei Govt wld appear entail grave risks in terms our overall security planning in Western Pacific, it appears to us that unless and until a coordinated parallel US-UK Far Eastern policy is formulated and agreed upon, it is asking for the impossible to expect Japan not to play one off against the other. In other words, it appears amply evident to us that Japanese Govt will not be responsive to any pressure on our part to reach settlement with Chinese Nationalists so long as US-UK differences persist, and that only if and when Japanese Govt can be confronted with united Anglo-Amer position on China problem can be [*we*] expect to exert and [*any*] decisive influence on Japan's future relations with China.

Of interest in endeavoring evaluate Japanese attitude this regard is fact that in recent conversation with Rusk,² Yoshida for first time indicated Japanese Govt toying with possibility entering into direct negots with Chinese Commies, for avowed purpose "being helpful" to US in finding solution to China problem. Although this suggests new line of thinking on Yoshida's part concerning Japanese relations with Commie China, it may on other hand represent calculated effort to have US pressure Chinese Nationalists into settlement with Japan on latter's terms.

In absence of clear instructions I have generally refrained from discussions with Denning on these matters. It is my impression, however, that he strongly shares belief increased Japanese trade with South East Asia must necessarily be at British expense, from which he may deduce that any diversion of Japanese economic pressure toward continental China wld be to UK's advantage, even though to detriment US political objectives.

Sent Dept 1167 rptd info Taipei 59, London unnumbered.

SEBALD

² See Mr. Rusk's memorandum of the conversation held November 27, p. 1416.

Tokyo Post Files : 320.1 BST

*Memorandum by the Legal Attaché to the Mission in Japan (Bassin)
to the United States Political Adviser to SCAP (Sebald)*

CONFIDENTIAL

[Tokyo,] December 10, 1951.

Subject: Digest of Japanese Foreign Office Views on the US Security Forces

1. Japanese Government Foreign Office has submitted the following three sets of documents setting forth its views on the status of US Security Forces:

a. Yoshida's letter to Ambassador Sebald, dated Oct 7, 1951,¹ in which the Prime Minister requests the removal of GHQ from the center of Tokyo, and the release of specified port facilities, warehouses, and business, residential, hospital, school, recreation and hotel buildings, all presently under requisition.

b. A Foreign Office note, dated Nov 26, 1951,² requesting restricted use of land and sea maneuver areas for the Security Forces.

c. A Japanese draft of the agreement defining the legal status of the US Security Forces in Japan.²

2. The Foreign Office suggests acceptance of its views because it will:

- a. Form a permanent basis for US-Japanese friendship.
- b. Achieve Security Pact objectives.
- c. Satisfy Japanese expectations.
- d. Assist in "internal politics".

3. A digest of the three Japanese documents is attached.³

JULES BASSIN

[Attachment 2]

Subject: Brief—Foreign Office Note re "Legal Status of Garrison Troops".

1. The Japanese Government Foreign Office note of 26 Nov 51 sets forth general observations on the implementation of Art III of the Security Pact, providing for the disposition of US forces in Japan.

2. During Diet deliberations the following questions and answers were exchanged:

¹ Transmitted to Washington in telegram 721 of October 9, p. 1374.

² Handed American representatives by Mr. Nishimura at a conversation held in Tokyo November 27 between Mr. Iguchi, Mr. Rusk, and other officials. (Memorandum by Mr. Fraleigh not printed: 611.94/11-2751; the Japanese notes of November 26 are in Tokyo post files, 320.1 BST.)

³ Attachment 1, the digest of the Prime Minister's letter, is not printed.

Q: Would US have extraterritorial rights in Japan?

A: Since Security Pact does not provide for "bases" in Japan, the US will have such privileges and immunities customarily given to forces stationed in foreign countries.

Q: Does the government agree that the privileges and immunities be limited to the Armed Forces and to their acts in line of duty?

A: This is a conclusion that could very well be reached by the two governments.

Q: Is Art III of the Security Pact a "blank-check" provision?

A: If the administrative agreement affects the rights and duties of the Japanese, then such agreement will be concluded on condition that the Diet take any necessary legislative measures.

3. It is "vitally important" to respect the Japanese national sentiment against extraterritoriality in the provisions relating to judicial jurisdiction.

4. The Japanese Government considers it "most advisable" to follow the NATO pattern, since there is no fundamental difference between the status of troops stationed in Japan and those in the NATO States. The fact that Japan has no troops does not affect the principles concerning the stationing of troops in foreign countries for mutual security.

5. The Japanese Government in answering critics and opponents to the Security Pact based its replies on the principles embodied in the NATO agreement. Therefore, from the Japanese internal political view point, it would be "most desirable" if the NATO agreement were adopted as the formula in Japan.

6. The Japanese Government submits a draft agreement for the "legal status" of the security forces. This agreement based on the NATO formula includes the ratification clause because the "legal status" of the US forces may be considered outside the scope of the conditions governing the disposition of US forces in Japan, as provided for in Art III of the Security Pact. Such matters as areas, facilities, expenses and the joint committee are not included in the draft agreement but may be provided for in the administrative agreement.

7. The provision for joint cooperative emergency measures is not included because the Security Treaty was concluded to provide for just such emergency and, therefore, is unnecessary in the administrative agreement.

8. A digest of the Japanese draft agreement is attached.

JULES BASSIN

[Subattachment]

DIGEST—JAPANESE DRAFT AGREEMENT RE LEGAL STATUS OF US FORCES
IN JAPAN

ARTICLE I

Definitions.

ARTICLE II

Respect for Japanese Law. Armed Forces personnel shall respect Japanese laws and abstain from political activity.

ARTICLE III

Immigration. Armed Forces personnel are exempt from immigration and alien registration regulations, and shall carry identity cards with them. The US shall advise Japan when Armed Forces personnel leave the service to remain in Japan.

ARTICLE IV

Driver's Licenses. Japan shall recognize US driving licenses issued to Armed Forces personnel.

ARTICLE V

Service Vehicles. Service vehicles shall bear a distinctive mark.

ARTICLE VI

Weapons. Armed Forces personnel may carry weapons if under orders.

ARTICLE VII

Criminal Jurisdiction. 1. US has the right to exercise criminal jurisdiction in Japan over all persons subject to US military law. Japan has jurisdiction over Armed Forces personnel for offenses committed in Japan.

2. US has exclusive jurisdiction over persons subject to military law for offenses punishable by the US but not by Japanese law. Japan has exclusive jurisdiction over Armed Forces personnel for offenses punishable by Japanese law but not by US law.

3. Where concurrent jurisdiction exists, US has primary jurisdiction over Armed Forces personnel for offenses against US property, security, or US personnel and, for offenses committed in line of duty. In all other cases Japan has primary jurisdiction. If primary jurisdiction is not exercised, the other Party shall be notified. The Party with primary jurisdiction shall sympathetically consider a request for a waiver. Japan and US shall assist each other in arresting Armed Forces personnel in Japan. Japan shall notify the US of the arrest of

any Armed Forces personnel. Armed Forces personnel in US custody but subject to Japanese jurisdiction shall remain in US custody until charged by Japan.

4. Japan and US shall assist each other in investigation of crimes and collection of evidence, and shall notify each other as to disposition of all cases where there is concurrent jurisdiction.

5. The rules against double jeopardy shall apply. However, the US may retry Armed Forces personnel even though tried by the Japanese.

6. Armed Forces personnel prosecuted by Japan shall be entitled to basic rights accorded accused in criminal cases, such as speedy trial, right to cross-examine, counsel of his choice, interpreters, etc.

7. Armed Forces may police the areas they occupy. Elsewhere, military police shall be used subject to arrangements with Japanese to maintain order among Armed Forces personnel.

ARTICLE VIII

Jurisdiction Over Japanese; Protection of US Property. US shall not exercise jurisdiction over nationals or residents in Japan. Japan shall enact necessary legislation to protect US property, and to punish Japanese nationals or residents who contravene such laws.

ARTICLE IX

Claims and Civil Jurisdiction. 1. Except for losses due to hostilities, the US shall pay just compensation for damage to Japanese persons or property caused by Armed Forces personnel, if the claim is presented within one year. A Japanese Government representative shall take part in the investigation of claims to determine the amount of compensation if any to be recommended for payment. Japanese courts shall have civil jurisdiction over all Armed Forces personnel for torts.

2. Armed Forces personnel are not immune from Japanese civil jurisdiction; however, such personnel are immune from enforcement proceedings in matters arising from performance of official duties.

ARTICLE X

Logistics. National treatment is given to Armed Forces personnel for local purchases. Local supplies and local labor for Armed Forces shall be procured through Japanese authorities. Japanese laws shall be applicable to conditions of employment. Local labor personnel shall not be regarded as Armed Forces personnel. Japan shall give favorable consideration to Armed Forces personnel concerning transportation needs. This Art does not give Armed Forces personnel tax exemptions for purchases and services acquired under Japan's fiscal regulations.

ARTICLE XI

Taxes. The period during which a person is a member of the Armed Forces shall not be included in computing any tax liability based on residence or domicile in Japan. Armed Forces personnel are exempt from Japanese taxes on salaries, and movable property in Japan because of their temporary residency. Armed Forces personnel are subject to taxation if they engage in business in Japan.

ARTICLE XII

Customs. Except as otherwise provided, Armed Forces personnel are subject to Japanese custom laws. Japanese custom authorities may inspect their luggage and vehicles, and seize contraband. Service vehicles may be imported and exported free of duty and are exempt from road taxes. Official documents are not subject to custom inspection. Armed Forces supplies may be imported free of duty. Personal effects of Armed Forces personnel may be imported free of duty on original entry. Armed Forces personnel may import motor vehicles free of duty but may be subject to road taxes. Except as otherwise exempted from duties in this Article, other imports may be subject to duty. Goods imported duty free may be re-exported freely but shall not be disposed of in Japan by sale or gift except as authorized by Japanese authorities. Goods purchased in Japan shall be exported only in accord with Japanese regulations. Fuel, oil and lubricants for service vehicles, aircraft and vessels may be imported duty free.

ARTICLE XIII

Custom Enforcement. Japanese custom authorities may take necessary measures to prevent abuse of exemptions. Exemptions may be refused for imports of locally produced articles which have been exported from Japan without payment of taxes or duties.

ARTICLE XIV

Seizure of Property. Japan and US shall assist each other to prevent custom offenses and shall insure that articles subject to seizure are given to the Japanese authorities. The US shall render assistance to insure payment of taxes and customs due from Armed Forces personnel. Armed Forces property not belonging to an individual, seized by Japanese custom authorities, shall be turned over to the Armed Forces.

ARTICLE XV

Foreign Exchange. Armed Forces personnel shall be subject to Japanese and US foreign exchange regulations.

ARTICLE XVI

Amendments. Japan or US may request revision of the agreement.

ARTICLE XVII

Ratification. This agreement shall be ratified and instruments thereof exchanged at Tokyo. The effective date is the date of exchange of ratifications.

ARTICLE XVIII

Termination. This agreement terminates when the Security Treaty terminates.

[Attachment 3]

Subject: Brief—Use by US Forces of Bombing, Gunnery and Manenver Areas

1. A Japanese Foreign Office note of 26 Nov 51 points out that about 1,500,000 Japanese depend on coastal fishing areas for a livelihood and that denial to such areas would seriously affect their means of livelihood.

2. The note states that Japanese Government compensation to Japanese fishermen for losses sustained from 1946–51 amounted to over 554,000,000 yen and that approximately 651,000,000 yen have been budgeted for the 51–52 FY.

3. The Japanese Government requests the United States Government to consider the following with regard to the establishment of sea maneuver areas:

- a. US compensation for damages to fishing losses;
- b. Maximum limitation of sea areas and avoidance of coastal areas;
- c. Non-interference with fishing and breeding grounds, lighthouses and sheltering harbors.
- d. Maneuvers should not coincide with fishing and breeding season, be as short as possible, and be conducted at a time that will least affect fishing operations;
- e. Advise the Japanese Government of any restrictions on fishing and navigation which may be caused by the sea exercises. Safety measures should be taken to avoid injury to fishing boats.

4. Land maneuver areas should be limited as much as possible and clearly marked. Farms, homes, or other Japanese installations within a maneuver area, should not be removed except for military necessity. However, when inhabitants of a land maneuver area are removed for safety reasons, they should be allowed to reenter to harvest their crops, etc.

J. BASSIN

794.0221/12-1151

*Memorandum of Conversation, by Mr. Charles A. Fraleigh of the
Office of Northeast Asian Affairs*

SECRET

[WASHINGTON,] December 11, 1951.¹

Subject: The Administrative Agreement with Japan

Participants: General Hamblen—Department of Defense
Mr. Earl Johnson—Department of Defense
Mr. Nash—Department of Defense ²
Mr. Young—Department of Defense ³
Mr. Dean Rusk—FE
Mr. U. A. Johnson—FE
Mr. C. A. Fraleigh—NA

Timing

Mr. Rusk proposed that an executive department position on the Administrative Agreement be reached by the end of December, that the first two weeks of January be used for talks with members of Congress on the terms of the Agreement, and that negotiations with the Japanese be commenced in the middle of January. The effort will be made to complete the negotiation before ratification of the Peace Treaty by the Congress. The representatives of the Defense Department had no objection to this time table although they recognized that it was an extremely tight one.

Form of Agreement

Mr. Rusk stated the proposal which he and General Hamblen had discussed with General Ridgway,⁴ for the treatment of "Annex A".⁵ In view of the fact that requirements of the United States security forces for facilities and areas in Japan would never be static, it was considered desirable to make no attempt to specify in the Administrative Agreement these facilities and areas. Instead it was proposed that Article I of the Agreement provide that specific facilities and areas be determined by the two Governments in consultation through the Joint Committee provided for in the Agreement. There would be a letter of instruction to the Committee—perhaps not to be made

¹ Memorandum drafted December 12. It bears this marginal note: "OK as amended D[ean] R[usk]."

² Frank C. Nash, Assistant to the Secretary of Defense for International Security Affairs.

³ Kenneth T. Young, Assistant to the Acting Director, Office of Foreign Military Affairs.

⁴ Apparently during Mr. Rusk's visit to Tokyo, November 21-27. Records of these discussions have not been found in Department of State files.

⁵ No draft list of facilities and areas to be utilized by U.S. forces in Japan has been found attached to any Department of State or Defense draft of the Administrative Agreement made during 1951.

public—which would state the principles governing the Committee in determining the facilities and areas to be used. In other words questions of policy affecting the choice of facilities and areas would be handled on a governmental level, while the designation of particular facilities and areas would be determined on a military level by the Committee.

Assumptions on which the Agreement is to be Based

There was a discussion of the question whether the Agreement should be drafted on the assumption that hostilities have terminated in Korea and on the assumption that the strength of our forces in Japan shall be increased to five divisions. The representatives of the Defense Department seemed to think that the continuance of hostilities in Korea could not be disregarded in the planning. In that event, it was the feeling of the State Department representatives, that it would be unrealistic to assume an increased strength of U.S. forces in Japan. It seemed to be generally conceded that perhaps the best approach was merely to assume present conditions and to work out principles for the disposition of the forces now in Japan.

Main Issues between State and Defense

Mr. Rusk stated that the two main issues could be described as “downtown Tokyo and the dependents”.

On the question of dependents Mr. Rusk referred to the estimates from Tokyo that there would be 100,000 dependents in Japan requiring approximately 42,000 housing units. Mr. Nash apparently was strongly opposed to the sending of large numbers of dependents to Japan both on the ground of the cost and on the ground of the problem of evacuation in the event of hostilities. Mr. Earl Johnson, however, emphasized the morale problem and the difficulty of rotating troops fast enough in Japan to make it possible to send military personnel to Japan without their dependents. All agreed that the problem of dependents was world wide and that decisions had not yet been reached on the sending of dependents to the NATO countries.

Principles Applicable to the Determination of the Facilities and Areas to be Used by the United States Forces

Mr. Rusk presented to the representatives of the Defense Department copies of his memorandum on the principles derived from foreign policy considerations applicable to post treaty arrangements for U.S. forces in Japan.⁶ There was a discussion of the following item in the memorandum:

Location of FEC headquarters. It was recognized by both State and Defense representatives that this was one of the difficult issues.

⁶ Not found in Department of State files.

Mr. U. A. Johnson mentioned the possibility that headquarters might be established in some place like Pershing Heights which was the former Japanese war ministry. The representatives of the Defense Department were shown a map of the downtown Tokyo metropolitan area, on which were indicated all the buildings now held by the occupation forces.

Jurisdiction over United States Forces

Mr. Rusk stated that State was working on a possible addition to its draft of the jurisdictional provision in which Japan would recognize that administrative convenience and cordial relations would be served, in the usual case, if each government undertook to maintain discipline and to punish violations on the part of its own nationals, in consultation with the other.

General Hamblen recalled that in Italy there had been a hard and fast rule that the Italian Government could exercise jurisdiction over American military forces, but that as a matter of practice, offenders were always turned over to U.S. authorities for punishment.

[Other?] Plans for Negotiation of Agreement

General Hamblen stated that he thought that General Ridgway expected to negotiate not only for the designation of specific areas and facilities, but also for the other terms of the Administrative Agreement. The other representatives of the Defense Department thought that it would not be appropriate for General Ridgway to act as negotiator for the general provisions of the Administrative Agreement. Mr. Rusk suggested that during the course of this week State and Defense put together a joint draft of the Administrative Agreement, and forward this agreement to General Ridgway stating that it was the type of agreement which we proposed to negotiate and ask him for his comments.

General Hamblen stated that both Generals Hickey and Ridgway insisted that the military alone negotiate the terms of Annex A, or its equivalent.

Mr. Rusk referred to General Ridgway's concern that SCAP's position might be undermined if negotiations were conducted by other representatives of the U.S. Government. In order to preserve SCAP's position, it was planned that General Ridgway would write a letter to the Japanese Government authorizing that Government to negotiate the administrative agreement with the designated representatives of this Government.

Program for Action

It was agreed that the effort should now be made to compare State and Defense drafts of the Administrative Agreement and to work

out a joint draft.⁷ Mr. Young presented a copy of the latest version of the Defense draft.⁸ It was arranged that General Hamblen would get in touch with Mr. Rusk about meetings to work out the joint draft.

⁷ See the draft under date of December 21, p. 1454.

⁸ Apparently the draft cited in footnote 3, p. 1405.

693.94/12-1151 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

TOKYO, December 11, 1951—7 p. m.

Topad 1264. For Allison from Dulles.¹ Denning conferred with me lengthily this afternoon. Indicated Eden strongly opposed to Jap action involving recognition of Chiang Kai-shek as Govt of China but not opposed to restoration of normal peacetime trade relationship. I stated that our many relations with Japan, including not only treaty ratification, but arrangements under treaties, posed question of whether Japan's foreign policy in Asia was parallel to ours or different from ours, and that reasons were mounting for some answer to this question which wld be acceptable to Congress and that some treaty arrangement with Chi Nationalists seemed to me only practical answer although I thought this need not involve any recognition of Chiang as authorized to speak for and bind all China. I stated that I might tomorrow discuss privately with Yoshida or Iguchi to develop reaction fol which I wld communicate with him so that he cld report to his govt simultaneously with my report. Denning was acquiescent this procedure but emphasized Japan's growing sensitiveness to external pressure and implied he felt public statement by Senators here was not helping situation.

Sebald, Sparkman, Smith and I called on Yoshida but only courtesies exchanged, with indication that more serious talk wld follow.

Press conference participated in by Senators was in my opinion well handled and Senators' statements on analysis carefully avoided any suggested pressure on Japan but their actual words did not conceal their strong feeling and perhaps that impression may be over-emphasized in handling by the press. [Dulles.]

SEBALD

¹ Mr. Dulles had arrived in Tokyo December 10 together with Senators Sparkman and Smith.

894.501/12-1551

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense
(Lovett)*

TOP SECRET

WASHINGTON, 12 December 1951.

Subject: High-Level State-Defense Mission on Japanese Defense Forces

1. The Joint Chiefs of Staff have considered your memorandum of 8 November 1951,¹ subject as above, and submit herewith their views regarding the problems outlined in subparagraphs (a) and (c) of the third paragraph thereof, with respect to the United States planning assumptions that should be used by a High-Level Mission to Japan to discuss Japanese rearmament and related problems. The views of the Joint Chiefs of Staff concerning the other matters raised in your above-mentioned memorandum will be forwarded separately at an early date.

2. *United States Planning Assumptions*

a. That world conditions during the period of the next several years will continue to be extremely critical and any attack on Japan by the Communist forces will occur with little warning.

b. That alignment of Japan with the free world is of vital importance to the United States and the United States will continue to participate in the defense of Japan.

c. That the Peace Treaty with Japan, the Security Treaty between the United States and Japan, and a satisfactory Administrative Agreement for implementation of the Security Treaty will go into effect simultaneously.

d. That the Japanese Constitution will be amended to authorize armed forces for the protection of Japan.

e. That, for the next several years, there will be United States and Japanese military forces in the Far East, the one assisting the other in the preservation of peace and security in the Japan area.

f. That the size, composition and time phasing of both the Japanese defense forces and the United States armed forces in Japan will be mutually supporting and of sufficient flexibility to permit adjustments to either peace or war.

g. That the United States will provide, subject to its world-wide commitments, priorities established by appropriate United States authority, and availability of equipment and appropriated funds, the bulk of the essential equipment required by the initial increments of the Japanese armed forces, and will foster and encourage the estab-

¹ Not found in Department of State files.

ishment of the means for production of appropriate equipment by Japan. Such aid as the United States may furnish will be based on the principle that Japan will provide maximum self-help in procuring needed equipment and supplies to support her armed forces.

h. That the forces to be designated for the defense of Japan by either the United States or Japan will be revised from time to time, based upon a reasonable estimate of the world situation, the state of readiness of the forces concerned, and enemy capabilities.

i. That Japan, after the Treaty of Peace comes into force, will continue to lend assistance to the United Nations actions in and about Japan, and will abide by the United Nations Resolution of 1 February 1951, to refrain from the giving of assistance to aggressor nations, in accordance with the terms of the United States-Japanese exchange of notes of 8 September 1951.

3. United States Forces in Japan

a. Mission

(1) To contribute to the maintenance of international peace and security and support United States policies in the Far East.

(2) To support the United Nations operations in Korea.

(3) Prior to ratification of the Security Treaty and in cooperation with the Japanese, to maintain the security of Japan against armed attack from without and/or from internal riots and disturbances.

(4) Discharge United States occupation responsibilities in Japan pending ratification of the Peace Treaty.

(5) Upon ratification of the Security Treaty by both governments, to contribute to the maintenance of the security of Japan in accordance with the terms of the Treaty.

(6) To support other Unified Commanders in accordance with the Unified Command Plan.

(7) To maintain the security of Japan as an over-riding mission.

b. Size

In the event that an armistice in Korea is concluded, certain of the forces now in Korea may be redeployed to Japan. The Joint Chiefs of Staff will determine in light of then existing conditions the U.S. force levels to be retained in the Far East.

c. Time Phasing

U.S. forces in Japan will be maintained at a level so that their strength, combined with Japanese forces, is reasonably adequate for the defense of Japan. While the growth of Japanese security forces will not determine the strength of U.S. forces in the Japan area, it is likely that as Japanese forces continue to gain strength, U.S. forces may be redeployed. No time table for redeployment, however, can be safely established now.

4. *Japanese Defense Forces*

a. Mission

(1) In cooperation with the United States, to contribute to and support United Nations action and policies in furtherance of world peace and security and the deterrence of aggression in the Japan area.

(2) In collaboration and cooperation with United States forces to maintain the security of Japan from external aggression.

(3) To maintain the internal security of Japan against riots and disturbances, with United States assistance as provided for by the terms of paragraph 1 of the Security Treaty between the United States and Japan.

(4) To assume an ever-increasing responsibility for the defense of Japan against direct or indirect aggression.

b. Size

The Japanese National Police Reserve will be expanded to a balanced ten-division Japanese national ground force. Initially the United States will provide the necessary air and naval forces for the accomplishment of the mission of both the United States and Japanese forces in the area and will be assisted by the Japanese defense forces, subject to the limitations specified in the Japanese Security Treaty. It is assumed that the Japanese will accept an ever-increasing responsibility for the defense of Japan, to include defensive air and naval arms.

c. Composition (Major Units)

(1) First Phase

Army (Personnel Strength—300,000)

10 Divisions

3 Armored Cavalry Regiments

12 AAA (AW) Battalions (SP)

7 AAA (AW) Battalions

21 AAA Gun Battalions

Other combat field artillery, chemical, tank, and engineer battalions as required for support.

Navy

10 Patrol Frigates

50 Landing Ships Support (large)

Ships made available from the Japanese Maritime Safety Agency.

Air Force

One squadron of fighter-bomber aircraft, one tactical reconnaissance squadron, and other units as required for support.

(2) Later Phases

Army

No major increase over the forces listed in subparagraph 4 c (1) above.

Navy

Indeterminate. (Should include a minimum of 15 AM/AMS and 1 Patrol Squadron (ASW) (U.E. 12 a/c) in addition to the 10 PF's, 50 LSSL's and Maritime Safety Agency ships listed in subparagraph 4 *c* (1) above. These forces constitute only the nucleus of a Japanese defensive naval force.)

Air Force

- 6 Fighter Interceptor Squadrons
- 12 Fighter-Bomber Squadrons
- 3 Tactical Reconnaissance Squadrons
- 6 Transport Squadrons

5. *Mutual Aid and Self-help*

The industrial capacity of Japan is potentially capable of producing a large portion of the weapons and equipment required for the Japanese armed forces as well as numerous items for the United States military assistance programs in Southeast Asia and the United States armed forces in the Far East. Japan's large military industrial potential must be denied to the Communists. In order to harness this potential to the benefit of the free world the United States should exert strong influence to the end that Japanese military production will be complementary to that of the United States. The United States, through allocation of materials, appropriate trade agreements, financial aid and collaboration with the Japanese, could and should exercise strong influence toward determining the type, quantity, and design of items produced. This would permit the development and standardization of equipment most suitable for the forces operating in Asia and capable of being produced in the area. At the same time, determination of items to be produced can be made to serve as a control to prevent Japanese military expansion from getting out of hand. Desired realization of this Japanese potential will require the fullest possible economic, political, and military coordination between the two nations. The formation of a special agency to influence and coordinate this effort may be necessary.

6. *Implementation of United States-Japanese Notes of 8 September 1951*²

a. The Note of 8 September 1951 by the Prime Minister of Japan provides that "if and when the forces of a Member or Members of the United Nations are engaged in any United Nations action in the Far East after the Treaty of Peace comes into force, Japan will permit and facilitate the support in and about Japan, by the Member or Members of the forces engaged in such United Nations action." Article II of the Security Treaty provides that, without the prior consent of the United States, Japan will not grant ". . . any bases or any

² See editorial note, p. 1339.

rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, or transit of ground, air, or naval forces to any third power." Consequently, implementation of the United States-Japanese Notes will require prior United States approval for any assistance Japan may render to other United Nations forces operating within the purview of Article II cited above.

b. It would be advisable for the Commander in Chief Far East to arrange with the Japanese Government that the procurement of supplies desired by military forces of the United Nations member nations be placed under his central direction in order to ensure orderly procurement processes.

c. Although the United Nations General Assembly Resolution of 1 February 1951 calls upon all states to lend every assistance to the United Nations action in Korea, and Japan has agreed to permit and facilitate the support in and about Japan by United Nations forces engaged in this action, the question regarding the active use of Japanese military forces should be held in abeyance pending future political and military developments.

7. Post-Treaty Military Assistance Subsequent to Fiscal Year 1953

In view of the anticipated international situation, the strategic importance of the area to the United States, and the inability of Japan by Fiscal Year 1954 to mobilize and equip military forces for an adequate defense of Japan, the following planning assumptions appear valid:

a. The general assumptions stated in paragraph 2 above.

b. During Fiscal Year 1954 the United States, by means of the Mutual Security Program, will assist in the development of the Japanese armed forces.

c. Should further assistance be deemed necessary, consistent with our national interests and security, upon termination of the Mutual Security Act of 1951 (30 June 1954),³ such assistance will be authorized by additional legislation.

For the Joint Chiefs of Staff:

HOYT S. VANDENBERG

Chief of Staff, United States Air Force

³ Approved October 10. For text, see 65 Stat. 373.

Editorial Note

In telegram Topad 1274 from Tokyo, December 13, marked "For Allison from Dulles", the latter transmitted the text of a draft agreement concerning the establishment of normal relations between the Government of Japan and the National Government of the Republic of China. The draft provided for the establishment of normal inter-

course between the territory of Japan on the one hand and Formosa and the Pescadores on the other, and for the exchange of special envoys between the two governments. This brief Japanese draft contained several other provisions, as well as the stipulation that the agreement, which was to go into effect upon signature, was not to be signed until the first coming into force of the Treaty of Peace with Japan.

Mr. Dulles stated that Mr. Yoshida had presented the draft to him that day "presumably as result of efforts talk with Iguchi but prior to reading of memo embodied in mytel 1273 Dec 13". Topad 1274 is filed under 693.94/12-1351. For Topad 1273, see *infra*.

611.94/12-1351 : Telegram

*The United States Political Adviser to SCAP (Sebald) to the
Secretary of State*

SECRET PRIORITY

Tokyo, December 13, 1951—7 p. m.

Topad 1273. For Allison from Dulles. Fol is text of memo which I read to Yoshida and Iguchi at conf today and also read to Denning subsequently :

Begin verbatim text. In connection with prospective treaty ratification proceedings in United States, and prospective implementation of treaties in relation to such matters as admin agreement, costs of security forces, settlement of post-war indebtedness, admin of Ryukyus, Bonins, etc., the United States Senate, Congress and Amer people generally, will insistently want to know whether Jap Govt intends pursue foreign policies in Asia which are generally compatible with those of United States, or whether it must be assumed that Jap may pursue foreign policies incompatible with those of United States. This poses particularly difficult problem in relation Chi where San Fran peace treaty left it to Japan to work out peace relations with Chi.

Essential facts are that Natl Govt of Chi is recognized as lawful govt of Chi by United States and by large majority of members of United Nations: it has seat, voice and vote of Chi in United Nations, which includes in Security Council veto power over Jap prospective membership: it has jurisdiction over Formosa and large Chi Army there; and controls trade between Formosa and Japan, which is very important to Japan. The Natl Govt of Chi controls important link in so-called "off-shore island chain" of which Japan, Ryukyus and Philippines, for other links, all of which, from strategic and security standpoint are interdependent and need to be cooperative.

On other hand, Natl Govt has lost *de facto* control over Chi mainland and Commie regime on mainland has been recognized by number of countries, including United Kingdom. Commie regime, however, stands condemned as aggressor by United Nations, it is mounting in North Korea a major mil threat to South Korea and Japan, and is backing Jap Commie Party in seeking violent overthrow of present constitutional system and govt in Japan.

Under these circumstances it is suggested that Jap interest might best be served if Jap Govt were to negotiate with Natl Govt of Chi with view arranging that fol coming into force of multilateral treaty of peace there shld also be brought into force bilateral treaty with Natl Govt of Chi which wld restore peace and reestablish relations along lines of multilateral treaty, but with understanding, to be officially recorded, that applicability of bilateral treaty is to territories under actual control of contracting parties. In other words, Natl Govt wld be dealt with on basis of its *de facto* actual control, avoiding assumption that it is now in position to speak for and bind all Chi.

This wld leave for future development the relations between Japan and any area Chi not under actual control of Natl Govt.

It not known whether Natl Govt of Chi wld find above formula acceptable, but Govt of United States wld consider exploring this, if by so doing it might contribute to result which wld enable United States cooperate without reserve to assist Japan in many vital areas where this cooperation desirable in post-treaty era, and if as hoped, this wld be formula which cld be reconciled with present divergence policy between United Kingdom and United States. *End verbatim text.*

[Dulles]
SEBALD

611.94/12-1451 : Telegram

The United States Political Adviser to SCAP (Sebald) to the Secretary of State

SECRET PRIORITY

TOKYO, December 14, 1951—3 p. m.

Topad 1279. For Allison from Dulles. Yoshida in response to reading of memo reported my 1273 stated he had no objection in principle to fol course suggested but showed obvious reluctance to take this course if UK strongly opposed. He pleaded strongly for supreme effort by US to bring about agreement with UK on FE and China policies, stating that country like Japan in almost impossible position when confronted by major difference between two leading nations of free world. (Although Yoshida did not mention it in this connection other indications are that Japan greatly worried by Brit control of their trade in Southeast Asia and Africa through control of sterling bloc Japan having already accumulated sterling currency which cannot presently be used to best advantage. Under current payments agreement Brit have capability of severely restricting and channeling Japan's trade with sterling and transferable account area.) I stated I wld bring to attention of Secretary desirability endeavoring to secure common policy as part of prospective discussions with Churchill.

Yoshida renewed suggestion that Japan might be able to play important role in weaning China away from domination by Sov polit-

buro. I spent considerable time developing nature of Sov Commun threat and fanatic ideological unity, expressing as my opinion that this unity only broken by augmenting the hardships of continued acceptance Sov domination and not by granting concessions which wld make life easier. [Dulles.]

SEBALD

894.501/12-1551

The Acting Secretary of Defense (Foster) to the Secretary of State

TOP SECRET

WASHINGTON, 15 December 1951.

DEAR MR. SECRETARY: The Department of Defense has carefully considered the second proposal contained in the letter of 28 September 1951¹ from the Acting Secretary of State to the effect that a high-level State-Defense mission proceed to Japan at an early date to discuss with Japanese officials their plans for Japanese rearmament, and that the negotiation of the Administrative Agreement might provide an appropriate context for such discussions. I wish to submit the following comments and recommendations on this proposal along the general line that the important discussions with the Japanese Government on rearmament should be kept separate from the negotiation of the Administrative Agreement.

The Department of Defense, of course, is vitally concerned in developing sound relationships with Japan on security matters, which is the general purpose of the second proposal in the above letter. Both the United States and Japanese Governments should carefully consider the size, composition and organization of Japanese defense forces. Since the United States Government should have a full understanding of the plans of the Japanese Government for its own defense, it is important to undertake discussions for this purpose in the next few months.

However, before informal or formal discussions on this subject with Japanese authorities can take place, it is mandatory for the United States to establish a firm position with respect to all substantive matters bearing on the subject of the rearmament of Japan. The Department of Defense is now studying several military questions regarding this subject. I seriously doubt that a firm position on Japanese rearmament can be achieved in the short time, according to present plans, before negotiations begin with the Japanese Government on the Administrative Agreement.

When the appropriate time comes, General Ridgway can do much to lay the groundwork with the Japanese Government by informal

¹ See footnote 7, p. 1361.

discussions in advance of any formal negotiations. Such negotiations should not be undertaken until these informal discussions have been completed. If a group is sent to Japan in connection with Japanese rearmament, the function of this trip should be to advise and assist General Ridgway in the conduct of formal discussions with the Japanese Government authorities on this subject.

The question of a Japanese Ministry of Defense, or some appropriate organization for handling Japanese defense forces in connection with U.S. security dispositions in Japan, may be a question related to Japanese rearmament that might arise during the negotiation of the Administrative Agreement. The Joint Chiefs of Staff are of the opinion that a central agency on a cabinet level is essential in order to permit the Japanese Government to exercise proper supervision and control of the activities of its armed forces. It is considered that a Ministry of Defense in which the military is made subordinate to civilian control and which would be subject to constitutional checks and balances, would be appropriate for this purpose. Moreover, an arrangement of this kind would at the same time provide the desirable safeguards to preclude the Japanese military authorities from assuming political prerogatives.

In the light of the foregoing, the Department of Defense makes the following recommendations, all from the military point of view:

(a) The Mission to negotiate the Administrative Agreement should not be authorized to initiate formal discussions with Japanese Government authorities regarding Japanese rearmament and the size and composition of the armed forces contemplated;

(b) At such time (see subparagraph (c) below) as it may become appropriate to initiate formal discussions regarding Japanese rearmament and the size and composition of the armed forces contemplated, a separate group of United States military representatives should be designated to report to General Ridgway in order to assist him in these discussions;

(c) Formal discussions regarding Japanese rearmament and the size and composition of the forces contemplated should not be undertaken until General Ridgway has completed necessary informal discussions with Japanese Government authorities;

(d) It would be desirable for the Japanese Government eventually to establish a Ministry of Defense in which the military is made subordinate to the civilian control and which would be subject to the checks and balances provided by the Japanese constitution; and

(e) The Mission to negotiate the Administrative Agreement should not initiate discussions regarding the establishment of a Ministry of Defense. However, if this subject is advanced by the Japanese Government authorities, that Mission should present, in general terms, the advantages which would accompany the establishment of such a Ministry organized as indicated above.

Sincerely yours,

WILLIAM C. FOSTER

Department of Defense Files : Telegram

*The Chief of Staff, United States Army (Collins) to the Commander
in Chief, Far East (Ridgway)*

TOP SECRET

WASHINGTON, December 17, 1951.

DA 89795. From Chief of Staff.

1. US support of JNPR has been conditioned upon the avail of US funds and materiel and maximum self help by Japan. Past and current budgets do not provide adequate funds for all important Army programs and production of items for which funds are avail is far behind schedule. Therefore US support of JNPR cannot be provided as previously contemplated and an immediate re-examination of planning and implementing actions must be made to bring program in line with fund and production capabilities.

2. Approx \$228,556,500 has been appropriated by Congress in FY 51 and FY 52 Army appropriations for the JNPR program. No funds avail in FY 52 MDAP appropriation. JNPR program has been deleted from both Mil Sec Program and Army FY 53 budgets. Effort being made to restore program in some FY 53 budget. In the meantime you must plan for next yr for development of the JNPR with funds now available.

3. Estimate that approx \$135,000,000 has been obligated for materiel furnished or scheduled for shipment in near future from Continental US sources for special FECOM reserve in accordance with your requests (costs do not include approx \$22,000,000 for general purpose vehicles and tank mounted bulldozers which are not immediately avail). An unknown amount has also been furnished direct from FECOM stocks. An allocation of not to exceed \$28,850,000 will be made shortly by radio for mortar production in Japan for JNPR re CINCFE msg C 55537, 22 Oct.¹ Therefore likely that unobligated balance is relatively small.

4. Therefore essential to re-examine planned organization and equipping of JNPR and accomplish necessary adjustments in programming for this force. After considering facts indicated this msg request submission alternate plan for development of JNPR to include:

a. General description of composition and phasing of force which can be developed with US funds now available and Japanese funds likely to be made aval.

b. Recommendations as to how remaining US funds are to be expended including recommendations concerning materiel previously requested from the Continental US for the 4 Division Force which has not yet been shipped.

¹ Not printed.

5. Following factors should be considered in your analysis: Increased utilization of a portion of the dollar funds avail from US FY 51 and FY 52 appropriations for initial orders on Japanese industry for production of small arms and other armament (in addition to mortar program now being authorized); deletion or reduction of requirement for heavy expensive equipment, e.g., tank mounted dozers; procurement by Japan with Yen from Japanese Budget of general purpose vehicles and similar equipment originally intended to come from US sources; and substitution of more economical but acceptable substitute and non-standard types US equipment for items previously scheduled for issue (in last category are the following examples of items that are available here at a relatively small percentage of first cost plus charges for packing, handling and transportation expenses: 450 M-5 tanks; 2500 guns, 37mm, M-9 and M-10; 1118 carriage, motor, M18-items would be supplied less spare parts and in most cases major overhaul will be required. This would require Japan to make spare parts and to perform overhaul as is not being done for many types of US equipment in Big 5 and Big 9 operations).

6. If funds available in FY 53 only permit the equipping of 10 Divisions on an austere and perhaps ineffectual basis you may desire to consider other plans for size and equipment of JNPR in FY 53; e.g. Completely equipping a number of divisions less than 10 which can be supported with funds available; or completely equipping 4 Divisions and use of remaining funds for providing training equipment on an austere basis for not more than 6 additional divisions. These plans should not be made in expectation that JCS objective of 10 Japanese Divisions will be changed. Continuing efforts will be made to secure necessary funds. In interim, however, it is desirable to utilize available funds so that:

a. If no additional funds are secured for JNPR, then best use will have been made of funds already available.

b. If additional funds are secured for JNPR, then they can be utilized without any disadvantage having been incurred as a result of interim action taken as a result of this message.

7. To ensure that value of support furnished JNPR from US sources not paid for by Japanese does not exceed total funds appropriated fiscal accounting must be established. Consider that this can best be done by you with periodic reports being submitted to DA. Separate DA radio will discuss details of such continuing control. Pending this, request that following information be submitted soonest:

a. Dollars expended in Japan for initiating Japanese production for JNPR or for other JNPR purposes, indicating programs and/or items for which funds expended.

b. The dollar value of all items held in reserve for or loaned to the

JNPR from FECOM stocks, excluding special FECOM reserve shipments from ZI.

8. In determining costs following criteria should be followed :

a. All materiel furnished by the US from any source (including items furnished from FEC stocks or procured locally with US funds since inception of Japanese police program) should be priced.

b. Costs should be based on present MDAP pricing formula including appropriate packing, handling and transportation costs. (See Para 98D, supply supplement, 1 Nov).

c. Cost of materiel held in reserves, including "heavy equipment," should be included.

9. For planning purposes it can be assumed that materiel for any major expansion of JNPR beyond what will come from funds now available must come from following principal sources :

a. World War II type equipment now being used by US forces in Korea, if and when that operation is completed and US forces are redeployed. Used equipment except for items in critical supply could be turned over to JNPR at MDAP prices to the extent that FY 54 funds (either Defense or MDAP) are made available.

b. US equipment procured with funds we hope to secure in some US FY 54 appropriation when US production will have caught up with requirements for regular Army and MDAP-estimated to be during FY 54.

c. Japanese production utilizing Japanese funds. US funds now available for JNPR and not yet obligated (or US funds which may be secured in FY 53 or FY 54) might be used to initiate production or to procure raw materials not available for yen.

10. Advise ETA alternate plan. Pending recommendation Para 4*b* above no changes will be made in scheduled shipments from Continental US for special FECOM Reserve.

11. This radio does not affect previous request for estimate of phased material requirements for overall balanced force of 10 Divisions which will be used for budget purposes (early arrival of this estimate will materially assist US in current budget actions—see Para 2 above).

Lot 54D423

Memorandum of Conversation, by the United States Political Adviser to SCAP (Sebald)

SECRET

Tokyo, December 18, 1951.

Subject: Japanese Relations with Chinese Nationalist Government.

Participants: Prime Minister Yoshida

Mr. Sadao Iguchi, Vice Minister for Foreign Affairs

Ambassador John Foster Dulles

Ambassador W. J. Sebald

Ambassador Dulles explained to the Prime Minister some of the difficulties which he anticipates will arise in the Senate in connection with the ratification of the Peace Treaty and, especially, the necessity for an early resolution on the part of Japan of the China problem. He stated that he had prepared a letter, essentially embodying the present Japanese position, which he suggested that Prime Minister Yoshida might send to him soon.

Mr. Dulles explained that he had thoroughly discussed the letter with Senators Smith and Sparkman who felt that such a letter from Mr. Yoshida would be the minimum without which it would probably be impossible to obtain ratification of the Treaty.

(Copies of the proposed letter¹ were then handed to the Prime Minister and to Mr. Iguchi, who carefully read its contents. Mr. Dulles also explained the contents of the letter after they had completed reading it.)

The Prime Minister said that he saw no objection to writing such a letter but he wished to know when negotiations should be taken up with the National Government of China. Ambassador Dulles replied that the purpose of the letter is to have it in hand for future publication, and that under no circumstances would it be made public until the Prime Minister had been advised that this would be done. He said that in any event the letter would not be published until after the conversations with Messrs. Churchill and Eden in Washington,² at which time it was hoped that the United States would be successful in changing the British attitude toward China. He wished it to be clearly understood that even if the British do not change their attitude, the United States would take the "blame", so that Japan would not be subject to counteraction on the part of the British, although he failed to see how the British could apply pressure on Japan at this time.

In consequence of further discussion, it was agreed: (1) that the Prime Minister would address the letter to Ambassador Dulles and send it to Ambassador Sebald at an appropriate time; and (2) that the existence of the letter should remain confidential until such time as Prime Minister Yoshida is advised that it is about to be made public.

Prime Minister Yoshida said it would be necessary for him to prepare public opinion in Japan based upon the contents of the letter.

Mr. Yoshida said he wanted to speak of another subject, and raised the possibility of showing a continuing economic interest by the United States in Japan, e.g., a Government loan, in order to still opposition criticism that the Security Treaty is a one-sided affair and that Japan

¹ *Infra.*

² Documentation regarding the visit, which in the case of Mr. Churchill lasted from January 5 through 19, will appear in a forthcoming volume of *Foreign Relations*.

might, in the not too distant future, be abandoned by the United States when it serves the purpose of the United States to do so.

W. J. SEBALD

Lot 54D423

*Copy of Draft Letter Handed the Prime Minister of Japan (Yoshida)
by the Consultant to the Secretary (Dulles)*¹

[Tokyo,] December 18, 1951.

DEAR MR. —————: While the Japanese Peace Treaty and the U.S.-Japan Security Treaty were being debated in the House of Representatives and the House of Councillors of the Diet, a number of questions were put and statements made relative to Japan's future policy toward China. Some of the statements, separated from their context and background, gave rise to misapprehensions which I should like to clear up.

The Japanese Government desires ultimately to have a full measure of political peace and commercial intercourse with China which is Japan's close neighbor.

At the present time it is, we hope, possible to develop that kind of relationship with the National Government of the Republic of China, which has the seat, voice and vote of China in the United Nations, which exercises actual governmental authority over certain territory, and which maintains diplomatic relations with most of the members of the United Nations. To that end my Government on November 17, 1951, established a Japanese Government Overseas Agency in Formosa, accredited to the National Government of China. This is the highest form of relationship with other countries which is now permitted to Japan, pending the coming into force of the multilateral Treaty of Peace. The Japanese Government Overseas Agency in Formosa is important in its personnel, reflecting the importance which my government attaches to relations with the National Government of the Republic of China. My government is prepared as soon as legally possible to conclude with the National Government of China, if that government so desires, a Treaty which will reestablish normal relations between our governments in conformity with the principles set out in the multilateral Treaty of Peace, the terms of such bilateral treaty to be applicable as regards the territories now or hereafter under the actual control of the Japanese and Chinese National Gov-

¹ Draft is initialed "JFD." in a hand not Mr. Dulles'. Several marginalia and interpolations appear on this copy, on which is also written "used for revision" in an unidentified hand. The marginalia are not reproduced here since they convert the draft into the final text of the letter, printed under date of December 24, p. 1466.

ernments. We will at once explore this subject with the National Government of China.

As regards the Chinese Communist regime, that regime stands condemned by the United Nations of being an aggressor and in consequence, the United Nations has recommended certain measures against that regime, in which Japan is now concurring and expects to continue to concur when the multilateral Treaty of Peace comes into force pursuant to the provisions of Article 5(a) (iii), whereby Japan has undertaken "to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action". Furthermore, the Communist regime in China is backing the Japan Communist Party in its program of seeking violently to overthrow the constitutional system and the present Government of Japan. In view of these considerations, I can assure you that the Japanese Government has no intention to conclude a bilateral Treaty with the Communist regime of China.

[Attachment 1] ²

OBSERVATIONS

1. *Page 1, para. 3, line 9*

The words "accredited to the National Government . . ." should read "with the consent of the National Government". (The Japanese Government Overseas Agency is not a diplomatic Organ accredited to any Government) ³

2. *Page 2, line 5*

The words "Normal relations between our Governments . . ." should read "Normal relations between *the two* Governments". ³

3. *Page 2, lines 7 through 11*

The whole sentence should be reduced as follows:

"The terms of such bilateral treaty, so far as it concerns the Chinese National Government, are to be applicable as regards the territories now or hereafter under the actual control of that Government. We will promptly explore this subject with the National Government of China.["]" ⁴

4. *Page 2, para. 2*

The beginning of this paragraph should read as follows:

"As regards the Chinese Communist regime, that regime stands *actually* condemned . . ." ³

² This undated attachment is apparently a copy of a Japanese document.

³ "Ok" is written in the margin beside this paragraph in an unidentified hand.

⁴ "See our counter text" is written in the margin beside this paragraph in an unidentified hand. See footnote 6 below.

5. Page 2, para. 2, line 12

The sentence should be reduced as follows:

[“]Furthermore, the Sino-Soviet Treaty of friendship, alliance and mutual assistance concluded in Moscow in 1950 is virtually a military alliance aimed against Japan. In fact there are many reasons to believe that the Communist regime in China is backing. . . .[”]⁵

[Attachment 2]

“The terms of such bilateral treaty shall, in respect of the Republic of China, be applicable to all territories which are now, or which may hereafter be, under the control of the National Government of the Republic of China.”⁶

⁵ “Ok” is written in the margin beside this paragraph in an unidentified hand.

⁶ “#3” is written in the margin of this attachment in an unidentified hand. This attachment is the “counter text” referred to in footnote 4 above.

Smith Papers

*Unsigned Memorandum of Conversation*¹

MEMORANDUM ABOUT DECEMBER 18, 195[1] IN TOKYO RE CONVERSATION
HAS² HAD WITH PRIME MINISTER YOSHIDA OF JAPAN

HAS had a special conference with Prime Minister Yoshida at a dinner which the Prime Minister gave to the Dulles-Sparkman-Smith party. Yoshida in a private conversation with HAS sent his special regards to General MacArthur. He said that General MacArthur saved the Royal household in Japan and this made the Japanese people eternally grateful to the people of the United States. He went out of his way to ask me to express to General MacArthur, which I have done in a personal letter, his high regard for him.

Yoshida in discussing the policy with regard to China and whether Japan should recognize Communist China, or Nationalist China, expressed the view that he was embarrassed because the U.S. and Great Britain had different policies. He pointed out that Britain recognized Communist China and wanted Japan to ultimately do the same, and Britain also desired to keep some of East Asia as its own hunting ground for trade, and therefore wanted the Japanese to trade with Communist China and not interfere with the British in southeast Asia. On the other hand, the United States which has recognized

¹ The memorandum bears Senator Smith's handwritten initials.

² H. Alexander Smith's “diary” entry of December 18, which deals with events of the previous day, reads in part: “Dulles has prepared a form of letter for Yoshida to sign re intention of Jap Government to make bilateral peace treaty with Nationalists—Also saying no recognition of Communists—then [defense?] of UN etc. While Dulles was working on this Sparkman and I attended the SCAP Monday morning session bringing us all up to date.” (Smith Papers)

Nationalist China and Chiang Kai-shek's government, wants the Japanese to make at least a limited peace treaty with the Nationalist Government on Formosa, and Yoshida took the position that if Britain and the U.S. could find a common policy, Japan would be very happy to go along with this because she has no desire in any way to recognize the Chinese Communists.

The later developments seem to be that Britain reluctantly will permit us to go ahead and help the Japanese to make an arrangement with Nationalist China for a limited recognition, which will give Nationalist China the important place in the picture. It is possible, however, that the Japanese will also make some trade arrangements with Communist China, but not under any conditions recognize Communist China. I just want to note at this point the personal talk I had with Yoshida.

I might add that Mr. Iguchi, who is the Japanese Foreign Minister, and a member of Yoshida's Cabinet,³ had assured HAS that as far as the Japanese were concerned, they would definitely not recognize the Chinese Communists and they were prepared to go ahead and make some kind of a peace settlement with the Nationalists. Iguchi was even more on the side of the United States position than Yoshida was, and did not indicate the same cautions that Yoshida had.

³ Prime Minister Yoshida was also Foreign Minister. Mr. Iguchi, who was Vice Minister of Foreign Affairs, was not of cabinet rank.

693.94/12-1851 : Telegram

*The Secretary of State to the United States Political Adviser to SCAP (Sebald)*¹

SECRET

WASHINGTON, December 18, 1951—8:46 p. m.

NIACT PRIORITY

Topad 1795. Eyes only Dulles² and Sebald. Brit Amb called this morning on instructions to express deep UN concern over trend Dulles activities in Tokyo with reference Japan's relations China.³ UK believes memo quoted Tokyo's 1273 Dec 13⁴ goes far beyond scope Morrison-Dulles agreement and refers specifically to portion of memo which states it wld be helpful for Jap Govt to negotiate with "Nat'l Govt

¹ Drafted by Mr. Allison and cleared in draft with the Secretary and Mr. Matthews.

² By the time this telegram reached Tokyo, Mr. Dulles had departed Tokyo for Honolulu, where he arrived December 20.

³ In an undated memorandum, Mr. Dulles stated in part that he had been told by Sir Esler Dening on the evening of December 17 that the latter had been instructed not to continue conversations with Mr. Dulles, and that the view of the Foreign Office was to be given the Department by Ambassador Franks. (Lot 54D423)

⁴ *Ante*, p. 1437.

of China with view of arranging that fol coming into force of multi-lateral treaty of peace there shld also be brought into force bilateral treaty with Natl Govt of China which wld restore peace and re-establish relations along lines of multilateral treaty, etc." UK reaffirms agreement that at appropriate time after coming into force of multi-lateral treaty Japan might well see necessity of negotiating agreement with Natl Govt on trade and other practical matters but believes that negotiation of "treaty with Natl Govt of China which wld restore peace" goes far beyond scope of previous US-UK agreements. In addition UK believes that from substantive point such a "treaty" wld prejudge long term relationship of Japan with continent of China and that in view of long term importance of this matter to Japan's foreign relations it might well have adverse effect on relations of Japan with West if such a "treaty" cld in any way be stated to have been negotiated and concluded not as a result of Japan's free will but as a result of US pressure. While UK recognizes domestic political problem in US connected with ratification of treaty it believes that what it calls this "temporary" condition shld not be allowed to govern Japan's long term relationships with China which in UK's opinion are of extreme importance.

It was pointed out to Brit Amb that long term relationship of Japan to US was also of great importance to Japan and that it wld be difficult for US to maintain after a treaty close relationships with Japan in which for some time to come US wld be responsible for Japan's defense if Japan's policy was radically at variance with that of US. It was also emphasized that UK Amb in Tokyo had perhaps violated spirit of previous US-UK agreement in advising Jap Govt not to conclude agreement with Chi Nationalist Govt. Point was made that action or inaction of Japan with respect to China might adversely affect ratification in US Senate of treaty and thus delay coming into effect of multilateral peace treaty which wld not be in interests of UK or anyone. Brit Amb pointed out, as had Denning, strong public opinion in UK on this matter and fact that Conservative Govt wld undoubtedly have rough time in Parliament if Japan made public commitments prior to coming into force of multilateral treaty re its intentions respecting conclusion of peace with Nationalist Chi Govt.

Amb was informed that situation appeared to be roughly as follows:

(1) It was agreed by both US and UK that Jap Govt might well commence negotiations with Chi Nationalists looking toward regularization trade and other practical relationships; (2) that any evidence of reluctance on part of Japs to negotiate with Chi Nationalists wld have adverse effect on early ratification and going into effect of multilateral peace treaty; (3) that long term relationship of Japan to Chi continent was of real importance to Jap future as was long term relationship Japan to US; and (4) that both US and UK spokesmen had stated publicly that Japan's future relations with China

were for Japan to determine in her own best interests after the multi-lateral peace treaty came into effect. It was pointed out that element (4) could not properly be interpreted to prevent any action on other three elements. When Brit Amb was asked specifically what was objectionable in proposed Jap draft he replied that it was the playing up of the agreement as a treaty of peace rather than practical working agreement on substantive matters covered as to which he voiced no specific objection.

In light of above, and in view of desirability if possible of maintaining US-UK agreement re Japan, following questions are posed:

(1) Is it possible to begin negot on draft agreement along lines contained Tokyo's 1274,⁵ which did not in preamble appear as "Treaty of Peace"?

(2) Is it possible to begin Tokyo-Formosa discussions on terms of agreement and keep such negots in progress until Treaty ratified?⁶

ACHESON

⁵ Not printed, but see editorial note, p. 1436.

⁶ The following is the substantive portion of a telegram sent Mr. Dulles (in Honolulu) by Mr. Sebald (in Tokyo) through military channels on December 20: "Telegram for you and me recd from Dept reporting strong UK objections your memo re Jap-China agreement and inquiring whether it possible (1) begin negotiations on draft agreement along lines set forth our 1274 (Jap draft agreement) but which does not in preamble appear as 'Treaty of Peace'; and (2) keep such negotiations in progress between Tokyo and Formosa until treaty ratified. In view delicate considerations involved I am confining my reply to Dept substantially to recommendation this matter be discussed with you upon your return Washington.

"Iguchi considers revised draft your 'Christmas present' satisfactory but wishes confirm with Yoshida. Upon receipt probably Dec 23 will hold pending further instructions from you." (telegram 6463 JC Memo from OIC Commcen CINCFE to OIC Commcen USARPAC; Lot 54D423)

In reply Mr. Dulles telegraphed on December 20: "Believe Christmas present involves no inconsistency with Department's suggestion and confirm desirability its receipt December 23 to be held subject to future determination." (Telegram 1723 from CINCPacFit to the U.S. Political Adviser in Tokyo; Lot 54D423)

894.00/12-2151

The Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs (Hemmendinger) to Mr. Frank Waring, Economic Counselor in the Office of the United States Political Adviser to SCAP

OFFICIAL INFORMAL

[WASHINGTON,] December 21, 1951.

CONFIDENTIAL

DEAR FRANK: We have had two conversations during the past week with Mr. Russell Hale, Director of Foreign Trade in ESS, who is in Washington on temporary duty.

[Here follows a discussion of Mr. Hale's view that Japan-China trade in the immediate future would not be of significant volume.]

We feel that, in the aggregate, the possible volume of Japan-China trade is very great indeed, even in the short run, and that the limiting factor is more with Japan's unwillingness to export the goods China needs than with the lack of availabilities in China. We have a great deal of respect for Hale's judgment, however, and therefore are reluctant to toss aside his assessment of this situation. It would be a serious mistake, of course, to underestimate the potentialities of this trade.

Hale told us that in his opinion there would be no difficulty in getting the Japanese to go along with the United States in controlling exports to China and the rest of the Soviet Bloc in the post-treaty period. He indicated that the Japanese are anxious for our advice and guidance on this problem. This view surprised us somewhat since we have been conditioned by the press clippings which indicate considerable support in Japan for expanded trade with China. We realize that much of this agitation comes from certain Osaka business men and that the Liberal Party itself has been generally noncommittal. Yoshida's recent statement relative to the possibility of setting up an overseas agency in Shanghai and his suggestion to Mr. Sebald (urtel 1279, December 14)¹ that "Japan might be able to play an important role in weaning China away from domination by Soviet politburo," make us question Hale's analysis of the situation. Here again, it would be unfortunate for us to underestimate the problem. Since this question is a very active one at the moment, we should appreciate any information and analysis your people can send us concerning it.

[Here follows a discussion of the Department's economic reporting procedures.]

Best regards from all of us,

Sincerely yours,

NOEL HEMMENDINGER

¹ The suggestion was made to Mr. Dulles. For telegram 1279, see p. 1438.

Department of Defense Files : Telegram

*The Commander in Chief, Far East (Ridgway) to the Department of the Army*¹

TOP SECRET

TOKYO, December 20, 1951, 5:17 p. m.

C 59752. Ref DA 89795.²

1. The staggering implications of DA 89795 have yet to be completely analyzed here, but it is obvious from preliminary review that

¹ Telegram marked "For JCS".

² Dated December 17, p. 1441.

the entire NPRJ project and, ultimately the defense of the Far East would be jeopardized, if the US were to adopt the action outlined and failed to allocate a sum of money which is purely nominal in terms of the US defense budget for FY 52. It is to me incredible that from a national defense budget of 57 billion dollars, we cannot find the relatively meager funds required to support the rapid establishment of a small Japanese Army. Upon such an Army, in the final analysis, the entire Far East will be dependent for stability and protection—unless the United States is willing to make financial outlays, and perhaps ultimately to sustain casualties entirely disproportionate to requirements of our existing project.

2. Viewed thus the NPRJ program is certainly one of the most important projects in which the US is now involved. For each dollar expended, it is my considered opinion that the US can purchase more security through the creation of Japanese Forces than can be purchased by similar expenditures in any other nation in the world, including the United States. The importance of creating at the earliest possible moment consistent with its political feasibility a well equipped, well organized, properly motivated Japanese Ground Force—with fighting spirit and ability equivalent to that displayed by Japanese Forces in World War II—is to my mind—presently paramount over any other long range project in the Far East.

3. Until such a force is in existence, the security of the Far East will demand the retention in Japan of a sizeable proportion of US Ground Forces unless the entire Far East is to fall by default to Communism. It would seem to me to be to the best long range interests of the United States, that an inexpensive but effective Japanese force be created as rapidly as possible to replace the capable but expensive United States Ground Forces which must otherwise remain in Japan, and which, if Communist Far East military potential continues its present rate of increase, will require substantial augmentation.

4. It will be impossible for me to conduct further meaningful discussions with the Japanese on the questions of rearmament and expansion of the NPRJ, except in very general terms, until a firm statement of United States intentions is received. I cannot stress too strongly the importance and necessity of impressing the Japanese at this crucial period of preliminary negotiations with our firm intention to cooperate fully with them in the years ahead, and in accord with the letter and spirit of the security treaty. It is as obvious to the Japanese as to me, that they cannot in the immediate future provide from their own resources all the materiel required for a modern Army. Vacillation and indecisiveness on our part during preliminary discus-

sions as to the scale of our proposed support of Japanese defense efforts can only result in the creation of profound doubts in the minds of the Japanese as to the seriousness of our intentions, and as to our reliability. This doubt has already been expressed by an influential segment of Japanese public opinion. It has been vigorously combatted by this Hq on every occasion in every way. Ambassador Dulles, I know, Senators Sparkman and Smith, I think, have done likewise. To do otherwise, to feed this doubt in the slightest degree, is to invite destruction of our entire Japanese policy as I understand that policy.

5. It is entirely possible that the requirements stated by DA 89795 may be partially met through a necessity to compromise with Japanese desires as to the size and composition of a defense force. This may perhaps result in the expansion of the NPRJ on a more austere basis and on a more decelerated schedule than is now planned. I nevertheless propose to suspend further preliminary discussions, except in the very general terms required to assure the maximum Japanese effort, until I am provided firm policy on US intentions with regard to the scale on which Japanese rearmament will be supported.

6. In the light of this intention I urgently request that the negative implications of DA 89795 be reconsidered and that I be provided, as a matter of priority, firm guidance as to US intentions with respect to the expeditious creation and support of a balanced Japanese Ground Force which will protect not only Japan but also the Far East Flank of the United States.

7. In all seriousness, I consider the potential consequences of the course of action now under consideration as nothing less than catastrophic to the vital interests of our country.³

³ In telegram DA 90318 to CINCFE, December 22, marked "From Chief of Staff", the Department of the Army replied: "Secretary Lovett yesterday approved for inclusion in Army FY 53 budget request an amount of three hundred million dollars for JNPR program. Therefore, your discussions with Japanese should not be affected." However, this change was not to affect the necessity for action along the lines of DA 89795, such as the establishment of an accounting system, utilization of surplus U.S. equipment where possible, and the stimulation of Japanese production of military equipment. (Department of Defense Files)

Editorial Note

On December 21, 1951, the Department sent to all diplomatic, TCA, and ECA missions in the Far East and South Asia a circular airgram on the subject "Relationship With Japan and Production of Essential Materials." For text, see page 126.

611.94/12-2651

*United States Draft of Administrative Agreement Between the
United States and Japan*¹

[Extracts]²

SECRET

[WASHINGTON,] December 21, 1951.³

PREAMBLE	
ARTICLE I	Definitions
ARTICLE II	Facilities and Areas
ARTICLE III	Description of Rights
ARTICLE IV	Changes in Condition of Facilities and Areas
ARTICLE V	Transit Privileges
ARTICLE VI	Navigation and Communication Systems
ARTICLE VII	Public Services
ARTICLE VIII	Meteorological Services
ARTICLE IX	Entry into Japan
ARTICLE X	Imports
ARTICLE XI	Procurement in Japan
ARTICLE XII	General Taxation
ARTICLE XIII	Sales and Services
ARTICLE XIV	Respect for the Laws of Japan
ARTICLE XV	Criminal Jurisdiction
ARTICLE XVI	Civil Jurisdiction and Claims
ARTICLE XVII	Foreign Exchange Controls
ARTICLE XVIII	Military Payment Certificates
ARTICLE XIX	Postal Facilities
ARTICLE XX	Reserve Organizations
ARTICLE XXI	Security of Forces and Property
ARTICLE XXII	Defense Measures
ARTICLE XXIII	Expenses
ARTICLE XXIV	Joint Committee
ARTICLE XXV	Effective Date
ARTICLE XXVI	Termination

PREAMBLE

Whereas Japan will resume its place in the international community of nations as a free and sovereign member upon the coming into effect of the Treaty of Peace with Japan;

And whereas Japan and the United States of America will, in consequence of the Treaty of Peace with Japan, enter upon a mutual relationship of equal and sovereign nations bound together by the great principles of the Charter of the United Nations;

¹ Apparently a joint draft of the State and Defense Departments, with exceptions and conditions as noted in the text.

² Omitted are Articles IV through XI, XIII, and XVII through XX. Also omitted are the legal commentaries which accompany each article.

³ Certain articles have different dates as noted below.

And whereas Japan and the United States of America on September 8, 1951, signed a Security Treaty which contains provision for the disposition of United States land, air and sea forces in and about Japan;

And whereas Article III of that Treaty states that the conditions which shall govern the disposition of the armed forces of the United States in and about Japan shall be determined by administrative agreements between the two Governments;

And whereas Japan and the United States of America are desirous of concluding practical administrative arrangements which will give effect to their respective obligations under the Security Treaty and will strengthen the close bonds of mutual interest and regard between their two peoples;

Therefore, the Governments of Japan and of the United States of America have entered into this agreement in terms as set forth below:

ARTICLE I⁴

DEFINITIONS

In this Agreement the expression—

(a) “United States armed forces” means the personnel on active duty belonging to the land, sea or air armed services of the United States of America when in the territory of Japan.

(b) “civilian component” means the civilian persons, who are in the employ of, serving with, under contract with, or accompanying the United States armed forces in Japan, and civilian persons in the employ of or under contract with contractors of the United States armed forces in Japan, but excludes personnel who are Japanese nationals or who are ordinarily residents of Japan. Wherever applicable, “civilian persons” as used above includes juridical entities.

(c) “dependents” means:

(1) Spouse, and children under 21;

(2) Parents, and children over 21, if dependent for over half their support upon a member of the United States armed forces or civilian component.⁵

⁴ This article is dated December 26.

⁵ The source text bears a marginal note in what is apparently Mr. Rusk's handwriting:

“1. Arrangements need to be such as to permit U.S. forces to carry out their mission; civilian component is an essential part of the force, even tho not in uniform, and is essential to proper execution of the military mission.

“2. Arrangements should be such as not to divert the public funds of the U.S. to purposes other than those intended, nor to increase burdens on U.S. taxpayer.

“3. U.S. does not wish any jurisdiction over or immunity for anyone in Japan not an essential part of the U.S. effort nor to interfere in any way with Japanese jurisdiction over or obligations re: Japanese nationals or persons ordinarily resident in Japan.

“4. Within practical limitations with respect to facilities, U.S. does not wish to break up natural family associations among U.S. personnel.”

ARTICLE II

FACILITIES AND AREAS

1. Japan agrees to grant to the United States the use of the facilities and areas necessary to carry out the purposes stated in Article I of the Security Treaty. Specific facilities and areas shall be determined by the two Governments in consultation through the Joint Committee provided for in Article XXIV of this Agreement. As a temporary measure, facilities and areas in use by United States forces at the time this Agreement becomes effective may be used by such forces until arrangements agreed to through the Joint Committee can be made effective.

2. Japan and the United States may from time to time agree that such facilities and areas shall be returned to Japan or that additional facilities and areas may be provided.

3. The facilities and areas used by the United States armed forces shall be returned to Japan whenever they are no longer needed for purposes of this Agreement, and the United States agrees to keep the needs for facilities and areas under continual observation with a view toward such return.

4. When facilities and areas such as target ranges and maneuver grounds are temporarily not being used by the United States, interim control thereof shall be returned to Japanese authorities if in the opinion of the United States authorities such return would not be harmful to the purposes for which the facilities and areas are normally used by the United States armed forces.⁶

ARTICLE III⁷

DESCRIPTION OF RIGHTS

1. The United States shall have the rights, power and authority within the facilities and areas which are necessary or appropriate for their establishment, use, operation, defense or control. The United States shall also have such rights, power and authority over land, territorial waters and airspace adjacent to, or in the vicinities of such facilities and areas, as are necessary to provide access to such facilities and areas for their support, defense and control.

⁶ The source text of this article bears a marginal note in what is apparently Mr. Rusk's handwriting:

"Specific facilities and areas will be subject of continuous consultation and negotiation; will probably never be a static list of such facilities; present arrangement better both for parties and can adjust arrangements to changes in the situation without burdensome formalities, U.S. representative in Joint Committee will seek in utmost good faith to find mutually acceptable facilities and areas which will meet essential requirements of both sides."

⁷ This article is dated December 26.

2. Such rights, power and authority shall include, *inter alia*, to the extent necessary to accomplish the purposes of this Agreement, the rights, power and authority :

a. To construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the facilities and areas;

b. To remove buildings or structures, make alterations, attach fixtures, or erect additions thereto and to construct any additional buildings or structures together with auxiliary facilities;

c. To improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to such facilities and areas;

d. To control (including the right to prohibit) in so far as may be required by military necessity for the efficient operation and safety of the facilities and areas, anchorages, moorings, landings, takeoffs and operation of ships and waterborne craft, aircraft and other vehicles on water, in the air or on land comprising, or in the vicinity of, the facilities and areas;

e. To acquire rights of way and to construct thereon as may be required for military purposes, wire and radio communications facilities, including submarine and subterranean cables, pipe lines and spur tracks from railroads;

f. To construct, install, maintain, and employ in any facility or area any type of installation, weapon, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices; and

g. To contract for or to undertake any construction work in Japan authorized by this Agreement without restriction as to choice of contractor or constructing agency.

3. The United States agrees that the above-mentioned rights, power and authority will not be exercised in such a manner as to interfere unnecessarily with navigation, aviation, communication, or land travel to or from or within the territories of Japan. All questions relating to frequencies, power and like matters used by apparatus employed by the United States designed to emit electric radiation shall be settled by mutual arrangement. As a temporary measure the United States armed forces shall be entitled to use, without radiation interference from Japanese sources, electronic devices of such power, design, type of emission, and frequencies as are reserved for such forces at the time this Agreement becomes effective.

4. Operations in the facilities and areas under the control of the United States shall be carried on with due regard for the public safety.

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ARTICLE XII⁸

GENERAL TAXATION

1. The United States shall not be subject to taxes or similar charges on property held, used or transferred in Japan by or in behalf of the United States armed forces. Upon appropriate certification, contractors shall be entitled to the same exemptions with respect to property held, used or transferred in the execution of contracts with the United States.

2. Members of the United States armed forces, the civilian component, and their dependents, shall not be liable to pay income tax to the Japanese Government or to any other taxing agency in Japan on income received as a result of their service or employment by the United States armed forces or in the execution of a contract with the United States armed forces in Japan, or on income received from sources outside of Japan. The provisions of this Article do not exempt such individuals from payment of income taxes on income derived from Japanese sources. Such individuals shall be exempt from taxation in Japan on the holding, use, transfer *inter se*, or transfer by death of movable property, tangible or intangible, provided that such exemption from taxes shall not apply to property held for the purpose of investment or the conduct of business in Japan. Where the legal incidence of any form of taxation in Japan depends upon residence or domicile, periods during which individuals are in Japan solely by reason of being members of the United States armed forces, of the civilian component, or their dependents shall not be considered as periods of residence or domicile in Japan for the purposes of such taxation.

ARTICLE XIV

RESPECT FOR THE LAWS OF JAPAN

It is the duty of members of the United States armed forces, civilian components thereof, and their dependents, to respect the laws of Japan and to abstain from any activity inconsistent with the spirit of the present agreement, and, in particular, from any political activity in Japan.

ARTICLE XV⁸

CRIMINAL JURISDICTION

(State Draft)

1. Subject to the provisions of this Article,

(a) the military authorities of the United States shall have the right to exercise within Japan all criminal and disciplinary jurisdic-

⁸ This article is dated December 26.

tions conferred on them by the law of the United States over all persons subject to the military law of the United States;

(b) the authorities of Japan shall have jurisdiction over the members of the United States armed forces, or the civilian component, and their dependents, with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

2. (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offenses, including offenses relating to its security, punishable by the law of the United States, but not by the law of Japan.

(b) The authorities of Japan shall have the right to exercise exclusive jurisdiction over members of the United States armed forces, or the civilian component, and their dependents, with respect to offenses, including offenses relating to the security of Japan, punishable by its law but not by the law of the United States.

(c) For the purposes of this paragraph and of paragraph 3 of this Article a security offense against a State shall include:

- (i) treason against the State;
- (ii) sabotage, espionage or violation of any law relating to official secrets of that State, or secrets relating to the national defense of that State.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over persons subject to the military law of the United States in relation to:

- (i) offenses solely against the property or security of the United States or offenses solely against the person or property of another member of the United States armed forces, or of the civilian component, or one of their dependents;

- (ii) offenses arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

4. The foregoing provisions of this Article shall not imply any right for the military authorities of the United States to exercise jurisdiction over persons who are nationals of or ordinarily resident in Japan, unless they are members of the armed forces of the United States.

5.(a) The authorities of Japan and the United States shall assist each other in the arrest of members of the United States armed forces, or civilian component, and their dependents, in the territory of Japan and in handing them over to the authority which is to exercise jurisdiction in accordance with the above provisions.

(b) The authorities of Japan shall notify promptly the military authorities of the United States of the arrest of any member of the United States armed forces, or civilian component, or one of their dependents.

(c) The custody of a member of the United States armed forces, or civilian component, or one of their dependents, over whom Japan is to exercise jurisdiction shall, if he is in the hands of the United States, remain with the United States until he is charged by Japan.

6.(a) The authorities of Japan and the United States shall assist each other in the carrying out of all necessary investigations into offenses, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offense. The handing over of such objects may, however, be made subject to their return within the time specified by the authority delivering them.

(b) The authorities of the United States and Japan shall notify one another of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

7. (a) A death sentence shall not be carried out in Japan by the authorities of the United States if the legislation of Japan does not provide for such punishment in a similar case.

(b) The authorities of Japan shall give sympathetic consideration to a request from the authorities of the United States for assistance in carrying out a sentence of imprisonment pronounced by the authorities of the United States under the provisions of this Article within the territory of Japan.

8. Where an accused has been tried in accordance with the provisions of this Article by the authorities of one Contracting Party and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offense within the same territory by the authorities of the other Contracting Party. However, nothing in this paragraph shall prevent the military authorities of the United States from trying a member of its armed forces for any violation of rules of discipline arising from an act or omission which constituted an offense for which he was tried by the authorities of Japan.

9. Whenever a member of the United States armed forces, or the civilian component, or one of their dependents, is prosecuted under the jurisdiction of Japan he shall be entitled—

- (a) to a prompt and speedy trial;
- (b) to be informed, in advance of trial, of the specific charge or charges made against him;
- (c) to be confronted with the witnesses against him.
- (d) to have compulsory process for obtaining witnesses in his favour, if they are within the jurisdiction of Japan;

(e) to have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in Japan;

(f) if he considers it necessary, to have the services of a competent interpreter; and

(g) to communicate with a representative of the Government of the United States, and, when the rules of the court permit, to have such a representative present at his trial.

10. (a) Units or formations of the United States armed forces shall have the right to police any facilities or areas utilized by the United States under this Agreement. The military police of the United States armed forces may take all appropriate measures to ensure the maintenance of order and security in such facilities and areas.

(b) Outside facilities and areas utilized by the United States, military police of the United States armed forces shall be employed only subject to arrangements with the authorities of Japan and in liaison with those authorities, and only in so far as such employment is necessary to maintain discipline and order among the members of such armed forces.

11. Without derogating from the principles of jurisdiction set forth in this Article, it is recognized that administrative convenience would be served if, in the usual case, each Government undertook to punish offenses on the part of its own nationals. Accordingly the Government having the primary right to exercise jurisdiction may prefer not to exercise such right in a particular case, and shall in such case notify the authorities of the other Government as soon as practicable. The authorities of the Government having the primary right shall give sympathetic consideration to a request from the authorities of the other Government for a waiver of its right. No such waiver shall be deemed to modify the principles of jurisdiction set forth in this Article.

ARTICLE XVI⁹

1. Each party waives all its claims against the other party for injury or death suffered in Japan by any member of its armed forces, or any civilian employee, while such member or employee was engaged in the performance of his official duties.

2. Each party waives all its claims against the other party for damage to any property in Japan owned by it, if such damage was caused by a member of the armed forces or a civilian employee of the government of the other party in the performance of his official duties.

3. Claims, other than contractual, arising out of acts or omissions of members of, or employees of the United States armed forces in the

⁹ This article is dated December 26.

performance of official duty causing injury, death, or property damage in Japan to third parties shall be dealt with by Japan in accordance with the following provisions:

(a) Claims shall be filed within one year from the date on which they arise and shall be considered and settled or adjudicated in accordance with the laws and regulations of Japan with respect to claims arising from the activities of its own armed forces or employees.

(b) Japan may settle any such claims, and payment of the amount agreed upon or determined by adjudication shall be made by Japan in yen.

(c) Such payment, whether made pursuant to a settlement or to adjudication of the case by a competent tribunal of Japan, or the final adjudication by such a tribunal denying payment, shall be binding and conclusive upon Japan and the United States.

(d) The cost incurred in satisfying claims pursuant to the preceding subparagraphs shall be shared in equal proportions by Japan and the United States.

(e) In accordance with procedures to be established, a statement of the claims filed and the sums paid by Japan pursuant to this paragraph, together with the findings in each case, shall be sent to the United States periodically, with a request for reimbursement of the share to be paid by the United States. Such reimbursement shall be made within the shortest possible time in yen.

(f) This paragraph (3) shall not apply to any claims resulting from action by an enemy of the United States or resulting directly or indirectly from any act by armed forces engaged in combat.

4. Each party shall have the exclusive right, in the execution of the foregoing paragraphs, to determine whether its personnel were engaged in the performance of official duty.

5. Members of and civilian employees of the United States armed forces shall not be subject to suit in Japan with respect to claims specified in paragraph 3, but shall be subject to the civil jurisdiction of Japanese courts with respect to all other types of claims.

ARTICLE XXI¹⁰

SECURITY OF FORCES AND PROPERTY

The United States and Japan will cooperate in taking such steps as may from time to time be necessary to ensure the security of the United States armed forces, the civilian component thereof, their dependents and their property. Japan agrees to take the action necessary to ensure the adequate security and protection within its territory of installations, equipment, property, records and official information of the United States, and for the punishment of offenders.

¹⁰ This article is dated December 26.

ARTICLE XXII

DEFENSE MEASURES

The appropriate authorities of the United States and Japan shall consult together with a view to coordinating measures of defense for use in the event of hostilities, or imminently threatened hostilities in the Japan area.¹¹

Note: Defense agrees to this paragraph provided that Chapter IV of JCS draft¹² is concluded in a simultaneous separate agreement.

ARTICLE XXIII

EXPENSES

1. Japan and the United States recognize that their relative contributions to the expenses of United States armed forces stationed in Japan in the mutual interest are to be determined in the light of the total resources which each is able to and does devote to security. They undertake to re-examine their respective contributions from time to time in accordance with the foregoing and in the light of any comparable arrangements for collective security concluded by the United States with other powers.

2. Subject to the provisions of paragraph 1 above, and pending any new determination of contributions, it is agreed that certain basic expenses of the United States armed forces stationed in Japan, such as pay and allowances, rations, military equipment, and transportation to and from Japan shall be borne by the United States, and that the local costs incident to the maintenance of such forces in Japan shall in principle be borne on the basis of parity by the United States and Japan.

3. Pursuant to paragraph 2, it is agreed that Japan will:

(a) furnish for the duration of this Agreement without cost to the United States and make compensation where appropriate to the owners and suppliers thereof all real estate utilized by the United States forces and facilities jointly used such as those at airfields and ports;

(b) make available without cost to the United States, until the effective date of any new arrangement reached as a result of a re-examination as provided in paragraph 1, for the year commencing upon the entry into force of the Treaty of Peace and annually thereafter an amount of Japanese currency equivalent to \$155 million per annum, for the purpose of procurement of transportation and other requisite services and supplies in Japan. The rate of exchange at

¹¹ This article is identical to Article XXII of the State Department's draft of November 5, not printed. (A copy of this draft is in the "Rusk Black Book on Administrative Agreement," 794.0221/9-851)

¹² Apparently the draft dated October 22, discussed in the memorandum from the JCS to Mr. Lovett, November 16, p. 1404.

which yen payments will be credited shall at the option of the United States be the official par value or that rate most favorable to the United States which on the day of payment is available to any party: provided such rate is not unlawful and, if both countries have agreed par values with the International Monetary Fund, is not prohibited by the Articles of Agreement of the Fund.

4. Pursuant to paragraph 2, it is agreed that the United States will bear without cost to Japan, in addition to basic expenses referred to in paragraph 2, all local costs incident to the maintenance of United States armed forces in Japan except those to be borne by Japan as provided in paragraph 3.

5. It is agreed that arrangements will be effected between the Governments of Japan and the United States for accounting applicable to financial transactions arising out of this Agreement. Those arrangements will be based upon the principle that outstanding obligations of the countries to each other incurred in the implementation of this Agreement will be settled periodically.

6. Nothing herein shall prevent the United States from utilizing for the defrayment of expenses which are to be borne by the United States under this Agreement dollar or yen funds lawfully acquired by the United States through repayment of obligations of Japan to the United States or otherwise.

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ARTICLE XXIV¹³

JOINT COMMITTEE

1. A Joint Committee shall be established as the means for consultation between the United States and Japan on all matters requiring mutual consultation regarding the implementation of this Agreement. In particular, the Joint Committee shall serve as the means for consultation in determining the facilities and areas in Japan which are required for the use of the United States in carrying out the purposes stated in Article I of the Security Treaty.

2. The Joint Committee shall be composed of a senior representative of the United States and of Japan, each of whom shall have one or more deputies and a staff. The Joint Committee shall determine its own procedures, and arrange for such auxiliary organs and administrative services as may be required. The Joint Committee shall be so organized that it may meet immediately at any time at the request of the representative of either the United States or Japan.

3. If the Joint Committee is unable to resolve any matter, it shall refer that matter to the respective governments for further consideration through appropriate channels.

¹³ This article is dated December 27.

DURATION OF AGREEMENT

ARTICLE XXV

EFFECTIVE DATE

This Agreement shall come into force on the date on which the Security Treaty between the United States of America and Japan enters into force.

ARTICLE XXVI

TERMINATION

This Agreement shall remain in force while the Security Treaty remains in force unless earlier modified or terminated by agreement between the parties.

Lot 54D423

The Prime Minister of Japan (Yoshida) to the Consultant to the Secretary (Dulles)

[Tokyo,] December 22, 1951.

DEAR MR. DULLES: For fear that I might not have made myself clear enough regarding a possible U.S. loan to Japan, which I mentioned to you when you were in Tokyo, I am writing this letter on the same subject.

As you are aware, my government has been stressing to the people the vital importance of cooperating with America politically and economically to the fullest extent. On the other hand, we have certain elements, not necessarily Communists, who carry on vociferous propaganda to misrepresent U.S. intentions for the purpose of obstructing Japanese-American cooperation.

Actually, there is much to be done to build up a common economic front as well as a common political front between Japan and the United States. For example, we are anxious to supply America with such critical materials as copper and aluminum as much as we can, partly as a means of earning dollar exchange for ourselves and partly as our share of contribution to the collective security of the free world. But we are faced with a serious shortage of electric power. Though hydro-electric power sources exist here in plenty, we lack capital which is needed immediately and urgently for the development of these sources. A loan from the United States would kill two birds, one political and the other economic, with one stone. It would demonstrate in a dramatic and unmistakable fashion American intentions and policy toward Japan.

I believe the very news, even unconfirmed, of such a loan being considered in Washington would produce a salutary psychological effect

and help consolidate the common front between Japan and the United States.

I earnestly solicit your understanding and your assistance toward the realization of this loan.

Yours sincerely,

SHIGERU YOSHIDA

Lot 54D423

*The Prime Minister of Japan (Yoshida) to the Consultant to the Secretary (Dulles)*¹

[Tokyo,] December 24, 1951.

DEAR AMBASSADOR DULLES: While the Japanese Peace Treaty and the U.S.-Japan Security Treaty were being debated in the House of Representatives and the House of Councillors of the Diet, a number of questions were put and statements made relative to Japan's future policy toward China. Some of the statements, separated from their context and background, gave rise to misapprehensions which I should like to clear up.

The Japanese Government desires ultimately to have a full measure of political peace and commercial intercourse with China which is Japan's close neighbor.

At the present time it is, we hope, possible to develop that kind of relationship with the National Government of the Republic of China, which has the seat, voice and vote of China in the United Nations, which exercises actual governmental authority over certain territory, and which maintains diplomatic relations with most of the members of the United Nations. To that end my Government on November 17, 1951, established a Japanese Government Overseas Agency in Formosa, with the consent of the National Government of China. This is the highest form of relationship with other countries which is now permitted to Japan, pending the coming into force of the multilateral Treaty of Peace. The Japanese Government Overseas Agency in Formosa is important in its personnel, reflecting the importance which my government attaches to relations with the National Government of the Republic of China. My government is prepared as soon as legally possible to conclude with the National Government of China, if that government so desires, a Treaty which will reestablish normal relations between the two Governments in conformity with the principles set out in the multilateral Treaty of Peace. The terms of such bilateral treaty shall, in respect of the Republic of China, be applicable to all territories which are now, or which may hereafter be, under the control of the National Government of the Republic of China. We will promptly explore this subject with the National Government of China.

¹Text of this letter is identical to that of an unsigned draft which bears the typed notation "Revised 12/20/51 Honolulu, T.H." (Lot 54D423)

As regards the Chinese Communist regime, that regime stands actually condemned by the United Nations of being an aggressor and in consequence, the United Nations has recommended certain measures against that regime, in which Japan is now concurring and expects to continue to concur when the multilateral Treaty of Peace comes into force pursuant to the provisions of Article 5(a) (iii), whereby Japan has undertaken "to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action". Furthermore, the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance concluded in Moscow in 1950 is virtually a military alliance aimed against Japan. In fact there are many reasons to believe that the Communist regime in China is backing the Japan Communist Party in its program of seeking violently to overthrow the constitutional system and the present Government of Japan. In view of these considerations, I can assure you that the Japanese Government has no intention to conclude a bilateral Treaty with the Communist regime of China.

Yours sincerely,

SHIGERU YOSHIDA

693.94/12-2651

Memorandum by the Consultant to the Secretary (Dulles) to the Secretary of State

[WASHINGTON,] December 26, 1951.

I understand that the British Ambassador, under instructions, has objected to the action which I took in Japan in relation to the future attitude of the Japanese Government to China. It was, I believe, suggested that what I did involved some violation of the understanding reached with Morrison on June 19, 1951,¹ which recorded our decision "to proceed without any Chinese co-signature to the presently contemplated multilateral Treaty of Peace" and which further stated that "under international law, Japan's future attitude toward China must necessarily be for determination by Japan itself in the exercise of the sovereign and independent status contemplated by the Treaty."

The facts are that Senators Sparkman and Smith, the ranking Democratic and Republican members of the Far Eastern Subcommittee of the Senate Foreign Relations Committee, meeting with me in Tokyo on December 10, said to me and also to Prime Minister Yoshida that there would be serious difficulty with respect to ratification of the Peace Treaty and with prospective implementation of the Peace

¹ In an index titled "China Papers," in Lot 54D423, the document of June 19 printed under its title of "Chinese Participation and Formosa" is listed as the "Morrison-Dulles Agreement." For text, see p. 1134.

Treaty and Security Treaty in a sense favorable to Japan, unless the Japanese Government made clear that it intended to pursue foreign policies in Asia which were generally compatible with those of the United States, particularly in relation to China.

I explored this subject with Prime Minister Yoshida who indicated that his Government did intend to align its foreign policies in Asia with those of the United States; that his Government desired formally to re-establish peace with the Nationalist Government of China which had the seat, voice and vote of China in the United Nations and which was recognized by most of the members of the United Nations. Also, Japan has important and economically indispensable trade relations with Formosa. He pointed out that the Japanese Government had already, on November 17, 1951, established a Japanese Government Overseas Agency in Formosa with the consent of the Nationalist Government of China, this being the highest form of relationship with other countries which is now permitted to Japan.

As regards the Communist regime in China, Mr. Yoshida pointed out that it is actually condemned by the United Nations as an aggressor, that the Sino-Soviet Treaty made in Moscow is virtually a military alliance against Japan and that there is ample evidence to show that the Communist regime in China is backing the Japanese Communist Party in its program of seeking violently to overthrow the Constitutional system and present Government of Japan. In view of these facts, Prime Minister Yoshida confirmed what he had previously told me, that the Japanese Government had no intention of concluding a bilateral treaty with the Communist regime of China.

Senators Sparkman and Smith suggested that the substance of Mr. Yoshida's statement should be put into a form which could be used in the Senate ratification hearings and Prime Minister Yoshida indicated that he was disposed to do so, hoping, however, that the United States would seek to bring about accord with the United Kingdom so that his Government would not be subjected to conflicting pressures.

I kept the British Ambassador, Sir Esler Dening, promptly and fully informed as to what I was doing. This contrasts with the fact that it now appears that Sir Esler had, himself, been advising the Japanese Government against any form of recognition of the Chinese Nationalists, and doing so without any notification to us. (See Mr. Eden's letter of November 20, 1951, to Mr. Acheson²)

Also it may be noted that although Mr. Acheson's letter to Mr. Eden of November 21² indicated "our decision to leave these inter-related

² For text, see telegram 3095 from Paris, November 23, p. 1409.

problems for discussion in Tokyo next month between Dulles and Sir Esler Denning", Sir Esler was instructed not to have such discussions with me, thereby making it impossible to take advantage of my presence in Tokyo to arrive at a joint position with the Japanese Government.

I am clearly of the opinion that 1) what I did in Tokyo involves no violation of the letter or spirit of my agreement of June 17 with Mr. Morrison.³ Also, when it was decided not to invite any representative of China to the San Francisco Conference but to leave China relations to future Japanese action, it was taken for granted by the British Government that Japan would in fact align itself with United States policy in this respect.

The Morrison-Dulles memorandum of June 17 was never designed to prevent Japan independently acting in its own interests. It was designed merely to assure that SCAP's authority over the Japanese Government would not be exerted to influence Japan's foreign policy.

Since the Dulles-Morrison agreement of June 17, over six months have elapsed, and nearly four months have elapsed since the Treaty was signed. During this period SCAP has substantially restored sovereignty and independence of action in foreign affairs to the Japanese Government. That Government is dealing directly with many other states, and negotiating bilateral agreements, as for example, with the United States and Canada (fisheries), Korea (general), Indonesia (fisheries and reparations), the Philippines (reparations) and India (bilateral peace). The position contemplated to be taken by Japan as regards China is in no slightest degree influenced by pressures from SCAP. Such pressures as they are, are inherent in the relationship of Japan to the United States and upon the basic fact that Japan, unable to defend its own sovereignty which is in mortal danger, must and does rely upon the United States; and it is inconceivable that under these circumstances Japan should pursue foreign policies which cut across those of the United States. Japan could not expect, under these conditions, to receive favorable consideration on many matters requiring Congressional approval and the purpose and spirit of the Morrison-Dulles memorandum would be violated if it were interpreted as preventing Japan taking action indispensable to her own self-interest.

It was from the beginning recognized by the British Cabinet that the formula proposed as regards China would almost inevitably lead

³ Possibly a reference to the document mentioned at the outset of this memorandum. However, no version of it dated June 17 has been found in Department of State files.

Japan to align herself with United States policy. Because of that fact, the formula was first objected to by the British Cabinet. They made the counter proposal that Japan should be deprived of the right to deal with China and that this right should be vested in a group of countries roughly corresponding to those of the Far Eastern Commission. This formula was proposed by the British Cabinet as necessary to prevent Japan from following the United States line. This counter proposal was rejected by me in a long conference which I had with Mr. Attlee and following that, the British Cabinet accepted the formula which would leave Japan free in this matter. The comments of the British press at the time, particularly the Labor press, shows that there was no doubt in their minds as to what the result of this formula would be.

It is totally unrealistic, and would be utterly destructive for the welfare of Japan, to expect Japan to refrain from aligning its Far Eastern policy roughly with that of the United States.

The United Kingdom could plausibly argue with the United States that its policy is wrong and should be changed. It does not, however, make any sense for the British to contend that the United States should assume all the burdens of defending Japan's sovereignty and strengthening Japan economically, and territorially (in relation to the Ryukyu and Bonin Islands) in order that Japan may thereby more effectively thwart United States policies in Asia.

The Senate will demand to know whether Japan intends to embark upon any such course. If so, it would make it utterly impracticable to realize the benevolent program which we have in mind for Japan.

JOHN FOSTER DULLES

Lot 55D598 : Files of the Office of Northeast Asian Affairs

*The Acting Director of the Office of Northeast Asian Affairs
(McClurkin) to the Special Assistant for Occupied Areas, Office
of the Assistant Secretary of the Army (Hamblen)*

TOP SECRET

WASHINGTON, December 27, 1951.

MY DEAR GENERAL HAMBLÉN: I have received your letter of December 7, 1951,¹ concerning the proposal of the Supreme Commander for the Allied Powers, that the existing limitations on Japanese fishing areas be removed as soon as practicable after the United States-Canadian-Japanese fisheries conference and in any event before the Treaty of Peace comes into force.

¹ Not printed.

While concurring generally with the Supreme Commander's proposal, the Department of State believes that the following considerations militate against action in the immediate future:

1. Public announcement of the abolition of the boundary limiting the authorized Japanese fishing area may prejudice public opinion in certain countries and impede efforts to secure early ratification of the Treaty of Peace.

2. Although the Far Eastern Commission has never adopted a policy decision concerning fishing, the United States Representative has on several occasions under instruction informed the Commission that it was the understanding of the United States Government that should the Supreme Commander contemplate an extension of the fishing areas, those states asserting a direct concern in the areas would be consulted.

3. Abolition of the limiting boundary is of direct concern to the Republic of the Philippines, the Republic of Indonesia, and the Republic of Korea in as much as those nations have indicated a desire to conclude bilateral fisheries treaties with Japan. Announcement of the abolition of the boundary would very likely cause these nations to feel that their bargaining position vis-à-vis Japan had been seriously weakened and cause resentment against both Japan and the United States. In the case of the Philippines and Indonesia, ratification of the Treaty of Peace with Japan might be endangered.

In view of these considerations, the Department of State recommends that the Supreme Commander be requested to withhold action on this proposal until shortly prior to the coming into effect of the Treaty of Peace. In the meantime, the Department of State will notify those friendly nations principally concerned of the Supreme Commander's intentions and the reasons prompting them. We will communicate with you again after these discussions.²

Sincerely yours,

ROBERT J. G. McCLURKIN

² DA 90678 to CINCFE, Tokyo, December 29, in part indicated that the Department of the Army had acceded to the State Department's request and instructed SCAP to withhold action on his proposal "until shortly prior to the coming into effect of the treaty of peace. In the meantime, State will discuss with those friendly nations principally concerned your intentions and the reasons prompting them." (Lot 55D598)

Editorial Note

In a letter to Mr. Dulles dated December 27, 1951, titled "Memo for Ambassador Dulles", Prime Minister Yoshida discussed three topics. He urged Mr. Dulles to take part in the selection of an outstanding and well-known U.S. Ambassador to Japan. He stated that

the difference in policy between Great Britain and the United States on the China question posed a dilemma to Japan, urged that the two powers find a united clear-cut policy on the issue, and stated that once this was done Japan would go along, setting aside its own inclinations and interests for the sake of a common front of free nations. Lastly, the Prime Minister gave his views on what he described as the counter-infiltration of Communist China. (Lot 54 D 423)

694.001/12-2751

*Memorandum by the Consultant to the Secretary (Dulles) to the
Secretary of State*

SECRET

[WASHINGTON,] December 27, 1951.

In the course of conversations with Mr. Sebald at Tokyo yesterday,¹ he told me that Prime Minister Yoshida had given him a letter to me dealing with relations with China and designed to clear up certain ambiguities resulting from statements made in the Diet debate on peace treaty ratification. I understand that the letter indicates that the Japanese Government is prepared to conclude with the Nationalist Government of China, if that Government so desires, a treaty which will establish normal relations in conformity with the principles set out in the multilateral Treaty of Peace, such treaty to be applicable to all territories now or hereafter under control of the Nationalist Government. The letter, I understand, reaffirms the prior statement of Yoshida to me that the Japanese Government has no intention to conclude a bilateral treaty with the Communist regime of China.

I understand that Prime Minister Yoshida desires that no use should be made of this letter without prior notification to him and that meanwhile it be kept strictly confidential and also that he assumes that before any use is made of it, we will make an effort at the Truman-Churchill talks to get U.K. acquiescence in this line of policy.

The Department is cabling Sebald to forward the original letter to me by diplomatic pouch and I suggest that, at least pending the receipt of the actual letter, knowledge of it be kept limited to yourself and Mr. Allison.²

JOHN FOSTER DULLES

¹ No memorandum of a telephone conversation between Mr. Dulles and Mr. Sebald on this subject has been found in Department of State files.

² The following handwritten note appears at the bottom of the original: "I concur. D[ean] A[cheson]."

693.94/12-2751

*Memorandum of Conversation, by the Consultant to the Secretary
(Dulles)*

[WASHINGTON,] December 27, 1951.

Participants: Dr. Wellington Koo, Chinese Ambassador
John Foster Dulles

Dr. Koo called to inquire about my trip to Tokyo in so far as related to Japanese relations with China. I told Dr. Koo that I came back with increased expectation that the Japanese Government would, broadly speaking, align itself with U.S. policy as regards China. I said that I felt that the Japanese Government believed that this was genuinely in its interest, but that it was reluctant to take a course strongly opposed by the British Government, particularly because of the British influence over trade in Southeast Asia, through control of the sterling currency in which such trade was conducted. I said that I did not expect that there would be any clear development of Japanese policy until after the Truman-Churchill Talks, as there was a feeling in Japan that these talks might perhaps lead to a British approach to the U.S. position which would make it easier for Japan to act in line with American policy.

I told Dr. Koo that I had been somewhat disturbed by rumors since I got back, that an effort might be made to link U.S. ratification of the Japanese Peace Treaty, with a bilateral treaty between Japan and Nationalist China. I said that I believed that such an effort by the U.S. Senate to coerce the Japanese Government would be bad from the standpoint of future relations between Japan and the National Government of China. The Japanese people would resent being coerced, and even if they acquiesced originally, would be disposed to undo the recognition as soon as possible, and the National Government, instead of gaining prestige, would lose it, because it would be made apparent to the whole world that Japan extended treaty relations to the National Government only under the lash. It would be a "shot-gun" marriage which would not help the National Government and which would have little chance of lasting. I urged that the National Government should have confidence that matters were working out satisfactorily and that they should not attempt to press too fast or seek coercive pressure from the U.S.

I said that, as my public statements had made clear, my personal hope was that ways would be found to develop a more positive policy in Asia designed not merely to check, but to roll back Soviet Communism and to separate China from Moscow; but that these things could not be done hastily.

Dr. Koo thanked me for what I had told him.

J[OHN] F[OSTER] D[ULLES]

794.0221/12-2851

*Memorandum of Conversation, by Mr. Charles A. Fraleigh of the
Office of Northeast Asian Affairs*

SECRET

[WASHINGTON,] December 28, 1951.¹

Subject: Administrative Agreement with Japan

Participants: Mr. Earl Johnson	Mr. Rusk
Mr. Young	Mr. Hemmendinger
General Hamblen	Mr. Fraleigh
Mr. Nash	
Mr. Haydock ²	

Defense Measures in Event of Hostilities

There was discussion whether a separate agreement along the lines of Chapter IV of the JCS draft³ on the subject of collective defense measures should be concluded simultaneously with the negotiation of the Administrative Agreement. It was agreed that the idea of a separate secret agreement was probably not desirable and that the subject should be covered in Article XXII of the Administrative agreement or else postponed until some time in the future when questions of rearmament and regional arrangements for security in the Pacific area are negotiated. The JCS had reserved a decision on the language to be included in the Administrative Agreement until they hear from General Ridgway.

Mr. Rusk presented copies of a State draft of Article XXII⁴ which would incorporate most of the language of Chapter IV of the JCS draft, but would leave out the significant phrases in paragraph 1 of the JCS draft, "in the opinion of either party" and "at the option of the United States". Mr. Rusk stated that giving the United States the option to establish a unified command under a United States commander would prompt the Japanese to question whether we were prepared to commit ourselves to defend Japan. He referred to General Marshall's decision in 1947 in refusing to take command of a European army on the ground that his taking command would be an implied commitment by the United States to come to the defense of Europe. He also referred to Mr. Dulles' opinion that the establishment of a unified command under the United States would involve a commitment to defend Japan which the United States may not be willing to give.

The representatives of Defense agreed that the United States was

¹ "OK D[ean] R[usk]" is written in the margin of the original.

² Robert Haydock, Jr., Counsel for the Office of Foreign Military Affairs, Department of Defense.

³ Apparently the draft dated October 22, discussed in the memorandum from the JCS to Mr. Lovett, November 16, p. 1404.

⁴ This draft of Article XXII has not been found in Department of State files.

not prepared to commit itself to defend Japan. They thought giving the United States the option whether to establish a unified command was less of a commitment than the omission of such an option. They also thought the option was needed in order to make sure that the United States would not be obliged to appoint a United States commander when, at some future date, Japanese security forces would greatly outnumber United States forces in Japan. They recognized, however, that the JCS draft was so worded that the United States would have the right to appoint a United States commander of forces largely Japanese even though the United States might have no intention of exercising the right.

The representatives of Defense indicated that the phrase "Japan area" in the JCS draft was intended to be vague, and to permit the United States to argue that hostilities affecting Formosa, Sakhalien or Korea would be hostilities affecting "the Japan area".

It was agreed that the question of the language of Article XXII should be given further consideration by both State and Defense.

Directive to General Ridgway on the Work of the Committee

It was agreed, first, that it will probably be unnecessary to work out a separate memorandum of agreement with the Japanese containing terms of reference for the Joint Committee.⁵ It was agreed, secondly, however, that it would be desirable and appropriate for the United States Government to issue a directive to General Ridgway, giving him policy guidance for use by the United States representative on the Joint Committee. This directive, it was expected, might be framed by the State Department, but would be transmitted to General Ridgway through the usual channel, i.e., through the JCS.

It was agreed that it would be appropriate in the Governmental directive to General Ridgway to include instructions concerning the relinquishment of facilities and areas in downtown Tokyo, and also to include a policy decision that no more housing should be obtained for dependents. The Defense representatives were to consider further just what might be said about housing for dependents in the directive, while State was to prepare a draft of a directive as soon as possible, and send it over to Defense for their consideration.

Memorandum to President

Mr. Rusk said that he intended, in preparing the memorandum for the President, to ask for the following decisions by the President: (1) that the Administrative Agreement should be handled as an executive agreement; (2) that the President approve the United States draft (after being advised of the principal points of the draft) and;

⁵ That is, the Joint Committee projected in Article XXIV of the draft Administrative Agreement of December 21, p. 1464.

(3) that one of the alternate articles on criminal jurisdiction should be chosen.⁶ The memorandum would include a statement of positions of State and Defense on the Criminal Jurisdiction Article. We might also ask for the approval of the President on the draft directive to CINCFE, but the draft directive might not have to go to the President at the same time as the draft Administrative Agreement. Work on the draft directive should, however, be pretty well completed by the time the memorandum on the Administrative Agreement is sent to the President. The President would also be asked in the memorandum to approve the designation of the negotiating team.

Negotiating Team

The question was raised whether an informal group should be established as soon as possible to start work on the determination of facilities and areas. Mr. Rusk proposed that this group might be set up after General Ridgway has received the basic directive and after the draft of the Administrative Agreement has been given to the Japanese. It was generally felt that the decision to set up an informal group now should depend on whether its establishment would help or hinder the negotiation of the Administrative Agreement. The Defense representatives seem to think that the negotiation of the Administrative Agreement might be delayed if a group were set up before the conclusion of the Administrative Agreement.

Mr. Johnson said that he had tentatively arranged for a plane to Tokyo for the 19th of January which would be about the time it was expected that clearance for the negotiations could be obtained from Congressional committees. Mr. Rusk said there would be a maximum of five persons to go from State. For Defense, it was expected that Ken Young, General Hamblen and a lawyer from the Office of the Secretary of Defense would go. Mr. Rusk said State might draw on the personnel of the Diplomatic Section in Tokyo also.

Time Table

It was agreed that the attempt would be made to send the memorandum to the President by the end of next week. Defense, of course, would have to wait until they receive General Ridgway's views. After the views have been received it was expected that the JCS would act

⁶ Reference is apparently to Article XV of the draft mentioned in footnote 5 above and Chapter I, paragraph 7 of the Defense draft dated October 22. The latter draft is discussed and cited in the memorandum from the JCS to Mr. Lovett dated November 16, p. 1404. In that draft, Chapter I, paragraph 7 includes only one change from the language quoted in footnote 8, p. 1283.

The change is the addition of the following sentence at the end of subparagraph (1): "In such cases, the determination of the duty status is reserved to the United States."

quickly because they want to get the Agreement negotiated before the Peace Treaty is ratified. General Hamblen mentioned his problem with G-3 of Army, which wants to take another crack at the draft Administrative Agreement, but it was decided that this was a matter to be decided within Defense.

694.001/12-2751

*Memorandum by the Consultant to the Secretary (Dulles) to the
Secretary of State*

SECRET

[WASHINGTON,] December 28, 1951.

This supplements my memorandum of December 27, 1951¹ with reference to Prime Minister Yoshida's letter to me on his Government's attitude toward China. Senators Sparkman and Smith do not know that Yoshida has actually written me, and I only learned of it on December 26 and do not yet have the actual text. But the Senators do know from Yoshida himself that Yoshida was prepared to take the position presumably expressed in that letter. It would therefore be extremely awkward, from the standpoint of Senate ratification, if the Executive as a result of the Churchill talks, were to agree to seek to get Yoshida to retreat from the position toward China which he expressed to the two Senators and which no doubt they will report to their colleagues.

J[OHN] F[OSTER] D[ULLES]

¹ *Ante*, p. 1467.

KOREA

[Documentation on United States involvement in the Korean conflict is scheduled for publication in volume VII.]

*Index for Parts 1 and 2
Appears at End of
Part 2.*

Date Due

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U.S. Dept. of State.
Foreign relations of the
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